

# THE ANNALIST

A Magazine of Finance, Commerce and Economics

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NEW YORK, MONDAY, SEPTEMBER 14, 1914

Ten Cents

## *P A Y - A S - Y O U - G O F I N A N C I N G   F O R N E W   Y O R K   C I T Y*

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**American Telephone & Telegraph Co.**  
Convertible Four Per Cent. Gold Bonds.

Coupons from these bonds, payable by their terms on September 1, 1914, at the office or agency of the Company in New York or in Boston, will be paid in New York by the Bankers Trust Company, 16 Wall Street.

G. D. MILNE, Treasurer.

**American Telephone & Telegraph Co.**  
Convertible 4½ Per Cent. Gold Bonds

Coupons from these bonds, payable by their terms on September 1, 1914, at the office or agency of the Company in New York or in Boston, will be paid in New York by the Bankers Trust Company, 16 Wall Street.

G. D. MILNE, Treasurer.

**JAMES H. DUNHAM & CO., Inc.**

At a meeting of the Board of Directors held this day at the office of the company, the regular quarterly dividend was declared for one and one-half (1½) per cent upon the First Preferred Stock of the Company, and of one and one-quarter (1¼) per cent upon the Second Preferred Stock of the Company, payable Oct. 1, 1914, to stockholders of record at the close of business Sept. 15, 1914. The transfer books for the First Preferred Stock and Second Preferred Stock will be closed Sept. 22, 1914, at close of business on that date and reopened Oct. 2, 1914, at 10 o'clock A. M. JOHN H. KING, Treasurer.

Sept. 1st, 1914.

**The British Bank of South America, Ltd.**

LONDON, E. C.

The Board of Directors hereby give notice that they have this day declared a dividend on account of FIVE PER CENT. (Ten Shillings per share) less income tax, on £1,000,000, the paid up capital of the Bank.

**The British Bank of South America, Ltd.**

F. E. O'HEA, Secretary.

per The Bank of New York, N. B. A.

Attorneys in New York.

August 27, 1914.

**CENTRAL STATES ELECTRIC CORPORATION**

Preferred Stock Dividend No. 9.

Sept. 1, 1914.

The Board of Directors has today declared the ninth quarterly dividend of One and Three-quarters Per Cent. (1¾%) on the Preferred Stock of the Central States Electric Corporation, payable October 1st, 1914, to stockholders of record at the close of business Sept. 16th, 1914. Checks will be mailed.

F. B. LASHER, Treasurer.

**THE MONTANA POWER COMPANY.**

71 Broadway, New York, N. Y.

A quarterly dividend of one and one-half (1½) per cent, has been declared upon the Preferred Stock of this Company, payable October 1, 1914, to holders of record at the close of business on September 15, 1914.

WALTER DUTTON, Treasurer.

**THE MONTANA POWER COMPANY.**

71 Broadway, New York, N. Y.

A dividend of one-half of one per cent. (½%) has been declared upon the Common Stock of this Company, payable October 1, 1914, to holders of record entitled to share in such dividend at the close of business on September 15, 1914.

WALTER DUTTON, Treasurer.

**Swift & Company**

Union Stock Yards, Chicago Sept. 5, 1914.

Dividend No. 112

Dividend of ONE DOLLAR and SEVENTY-FIVE CENTS (\$1.75) per share on the capital stock of Swift & Company, will be paid on Oct. 1st, 1914, to stockholders of record, Sept. 10, 1914, as shown on the books of the Company.

F. S. HAYWARD, Secretary.

**FEDERAL LIGHT & TRACTION CO.**

Preferred Stock Dividend No. 17.

No. 60 Broadway, New York, Aug. 31, 1914. The Board of Directors has this day declared a regular quarterly dividend of one and one-half per cent on the preferred stock of the Federal Light & Traction Company, payable September 1, 1914, to the stockholders of record as of the close of business August 31, 1914. Checks will be mailed. Books for the transfer of the preferred stock of the company will not be closed.

E. C. GERRY, Treasurer.

**Rubber Goods Manufacturing Co.**

The Board of Directors of the Rubber Goods Manufacturing Company has this day declared from the net earnings of the Company the regular quarterly dividend of one and three-quarters per cent. on the Preferred Stock and a dividend of two per cent. (2%) on the Common Stock, both payable September 16th, 1914, to stockholders of record at 12 M. on September 12th, 1914. Checks will be mailed to registered address.

E. J. HATHORPE, Treasurer.

New York, September 10th, 1914.

**CHICAGO GREAT WESTERN RAILROAD COMPANY.**

First Mortgage 50-Year 4% Gold Bonds.

Coupons due September 1, 1914, from the First Mortgage 50-Year 4% Gold Bonds of this Company, will be paid upon presentation on and after September 1, 1914, at the temporary office of J. P. Morgan & Co., 15 Broad Street, New York, N. Y.

J. P. MORGAN & CO., Treasurer.

Chicago, Ill., August 12, 1914.

**UNITED TRACTION & ELECTRIC CO.**

Coupons due September 1st, 1914, from First Mortgage 50-Year 4% Gold Bonds of this Company, Providence & Pawtucket, will be paid on and after September 1st, 1914, on presentation at the office of the CENTRAL TRUST COMPANY OF NEW YORK, 54 Wall Street, New York. Checks for interest on registered bonds will be mailed.

C. S. SWETLAND, Treasurer.

**WEYMOUTH-BRUTON COMPANY.**

No. 50 Union Square, North.

New York, September 2, 1914. Dividends of 15% on the Preferred Stock and 3% on the Common Stock of Weymouth-Bruton Company were this day declared, payable October 1, 1914, to stockholders of record at the close of business September 25, 1914. Checks will be mailed.

HUNTER BROOKES, Jr., Secy & Treas.

**Guaranty Trust Company of New York**

New York, September 2, 1914.

The Board of Directors has declared a quarterly dividend of SIX PER CENT. (6%) on the Capital Stock of this Company, payable on October 1, 1914, to stockholders of record at the close of business on September 22, 1914.

CHAS. E. F. CLARKE, Treasurer.

New York, September 2, 1914.

**PENNSYLVANIA WATER & POWER CO.**

Dividend No. 3.

A dividend of 15% on the quarter ending Sept. 30th has been declared upon the capital stock of this Company, payable on October 1, 1914, to stockholders of record at the close of business on September 22, 1914.

GEORGE A. HILL, Treasurer.

**UTAH COPPER COMPANY.**  
165 Broadway, New York, September 8th, 1914.  
DIVIDEND NO. 25.

The Board of Directors of the Utah Copper Company has declared a regular quarterly dividend of seventy-five cents (75¢) per share, being at the rate of seven and one-half per cent. (7½%) per quarter on par value, payable September 30th, 1914, to stockholders of record at the close of business September 16th, 1914. The books for the transfer of the stock of the Company will close at 3 o'clock P. M., September 16th, and reopen at 10 o'clock A. M., September 23rd, 1914.

G. K. LIPMAN, Asst. Secretary.

**THE NEW YORK CENTRAL & HUDSON RIVER RAILROAD COMPANY.**

New York, September 9th, 1914.

A quarterly dividend of One and One-Quarter Per Cent. (1¼%) on the capital stock of this Company has been declared payable October 1, 1914, at the office of the Treasurer to stockholders of record at the close of business September 21st, 1914.

EDWARD L. ROSSITER, Treasurer.

**AMERICAN WOOLEN COMPANY**

SEVENTY-SEVEN QUARTERLY DIVIDEND.

Notice is hereby given that a regular quarterly dividend of One and Three-quarters Per Cent. (1¾%) on the Preferred Capital Stock of the American Woolen Company of record September 1, 1914, will be paid on the fifteenth day of October, 1914.

Transfer books for Preferred Stock will be closed at the close of business September 18, 1914, and will be reopened October 1, 1914. Checks will be mailed.

Boston, Mass., September 8, 1914.

W. H. DWELLY, JR., Treasurer.

**AMERICAN CAR AND FOUNDRY CO.**

New York, Sept. 3, 1914.

PREFERRED CAPITAL STOCK

DIVIDEND NO. 62.

A dividend of one and three-quarters per cent. (1¾%) on the preferred stock of this Company has this day been declared, payable Thursday, October 1, 1914, to stockholders of record at the close of business Friday, September 11, 1914.

Checks will be mailed by the Guaranty Trust Company of New York.

S. S. DELANO, Treasurer.

WM. M. HAGER, Secretary.

**AMERICAN CAR AND FOUNDRY CO.**

New York, Sept. 3, 1914.

COMMON CAPITAL STOCK

DIVIDEND NO. 48.

A dividend of one-half per cent. (½%) on the common stock of this Company has this day been declared, payable Thursday, October 1, 1914, to stockholders of record at the close of business Friday, September 11, 1914.

Checks will be mailed by the Guaranty Trust Company of New York.

S. S. DELANO, Treasurer.

**64TH CONSECUTIVE DIVIDEND**

LAWYERS' TITLE INSURANCE & TRUST COMPANY, 100 Broadway, New York.

September 9th, 1914.

A dividend of two per cent. (2%) on the capital stock of this Company has been declared this day, payable October 1, 1914. Transfer books will be closed on Tuesday, September 15th at three o'clock P. M., and reopened on Saturday, October 2, 1914, at ten A. M.

ARCHIBALD FORBES, Treasurer.

**ANSCO COMPANY.**

PREMIER DIVIDEND NO. 49.

A regular quarterly dividend of One and One-half (1½%) on the Preferred Stock of this Company has this day been declared, payable on September 30th next to all Preferred Stockholders of record September 25th.

H. W. PETHERBRIDGE, Treasurer.

September 9th, 1914.

**THE AMERICAN TOBACCO COMPANY**

111 Fifth Avenue, New York, September 2, 1914.

A dividend of 15% has been declared upon the preferred stock of The American Tobacco Company, payable on October 1, 1914, to stockholders of record at the close of business September 1, 1914. Checks will be mailed.

J. M. W. HICKS, Treasurer.

**NORFOLK & WESTERN RAILWAY CO.**

The Board of Directors has declared a quarterly dividend of One and One-half Per cent. (1½%) on the Common Stock of the company, payable at the office of the Company, Commercial Trust Building, Philadelphia, Pa., September 19, 1914, to the Common Stockholders as registered at the close of business August 31, 1914. E. H. ALDEN, Secretary.

**BROOKLYN RAPID TRANSIT CO.**

New York, August 26th, 1914.

The Board of Directors has this day declared a quarterly dividend of One and One-half per cent. (1½%) on the outstanding capital stock of this Company, payable on October 1st, 1914, to stockholders of record at the close of business Wednesday, September 2nd, 1914.

J. H. BENNINGTON, Secretary.

**GEORGE W. HELME COMPANY.**

111 Fifth Ave., New York, September 2, 1914.

A dividend of 15% has been declared upon the Preferred Stock of the George W. Helme Company, payable on October 1, 1914, to stockholders of record at the close of business September 12th, 1914. Checks will be mailed.

E. C. DANFORTH, Secretary.

**THE PROVIDENT LOAN SOCIETY OF NEW YORK.**

Twenty-Year 4½% Gold Bonds of 1921.

Coupons due September 1, 1914, of the above Bonds will be paid on presentation at the Executive Office of the Society, 346 Park Avenue, New York, between 20th Street, on and after September 1st, 1914.

Books will not be closed.

E. C. CHRISTIAN, Secy & Treas.

New York, September 5th, 1914.

**AMERICAN BANK NOTE COMPANY.**

A dividend of one and one-half per cent. on the Preferred Stock for the quarter ending September 30th, 1914, has been declared, payable October 1st, 1914, to holders of record at the close of business September 15th, 1914. The Stock Transfer Books will not be closed.

GEORGE A. DANFORTH, Secretary.

**THE AMERICAN TOBACCO COMPANY.**

No. 111 Fifth Avenue, New York, N. Y., September 2, 1914.

Notice is hereby given that the transfer books of the registered 6% gold bonds of The American Tobacco Company will close at 3 o'clock P. M., September 15, 1914, for the payment of interest thereon due October 1, 1914, and reopen at 10 o'clock A. M., October 2, 1914.

J. M. W. HICKS, Treasurer.

**AMERICAN HIDE & LEATHER CO.**

Coupon No. 30, due September 1, 1914, from the First Mortgage Bonds of the American Hide & Leather Company will be paid on and after September 1st, 1914, by the Equitable Trust Company of New York, 35-37 Wall Street, New York.

By order of the Board of Directors.

GEORGE A. HILL, Treasurer.

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NEW YORK, MONDAY, SEPTEMBER 14, 1914

LATE conferences and nightly councils are no longer the order of the day in the financial community. The large problems to which the war gave rise have not been done away with, but they are less acute than they were. The Government and the business men and bankers of the country have co-operated to reduce those problems and to solve them, and the work has already passed beyond the stage of first hurried effort and into the stage in which the work can be pursued with composure. It is already yielding results.

THE railroad Presidents who visited Washington last week to lay the case of the railroads before the President and the Interstate Commerce Commission carried away a very favorable impression of the attitude of the former toward the railways, and of the disposition of the latter to consider means of dealing with the new problem which the war has imposed upon the roads and which has accentuated all their old problems. The President in a letter to the Chairman of the Committee of Railroad Presidents who visited him has already bespoken for the railways the friendly co-operation of the whole country. He is expected to go still further in urging their cause. The manner of approaching the matter is now being worked out by the railroads, and the Commerce Commission appears desirous of being helpful in this direction. There is much more than a bare chance that the railroads will at last obtain substantial relief. The relief which they can obtain from the States is no less important than the relief which could be had through the Commerce Commission, and the stand which President Wilson has taken, railroad men believe, will help them greatly with the State authorities to whom they must look for the lightening of many of the burdens under which the roads have labored.

RAILROAD men are expressing high appreciation of the stand which the President has taken, and they well may, for he has already helped their cause and is likely to help it still more. In helping their cause, moreover, the President is helping the cause of business the country over.

A CLEARER conception of the status of the Commerce Commission and of the nature of its relations with the railroads would be helpful to a proper solution of the whole matter. The Commerce Commission is often spoken of as a court, but it is not that. The commission is a creature of Congress. It was established by Congress, and certain powers were delegated to it by Congress. Those powers can be enlarged

or diminished, or taken away entirely, at the will of Congress, which can by specific enactment supersede the action of the commission in any given matter. Not so with the courts. The question is more than a theoretical one, for it touches directly the question of the propriety of suggestion to the commission regarding cases which it has before it. The President has clearly indicated on more than one occasion that he did not feel justified in making representations to the commission. But through Congress, at least, he must be free to make such suggestions, for he is free to make them to Congress, and the Commerce Commission is the creature of Congress. Congress is free to take a broader view of the regulation of the railroads than the Commerce Commission has felt justified in taking, or perhaps has been disposed to take, and the President has there a wide field in which to exert his influence if he regards it as wise to do so.

MENWHILE Congress itself, in the proposals of its Ways and Means Committee, has indicated how simple a thing it is to raise freight rates. The Commerce Commission took many months to consider the railroads' proposal for an increase in freight rates in the Eastern States, and at the end of that time denied the increase. Congress, by the simple expedient of an emergency tax law, would add 3 per cent. to the cost of freight transportation, not for the Eastern States alone, but for the whole country. Without inquiry and without any comprehensive consideration of the matter, a committee recommends the doing of that which the commission, after months of consideration, held should not be done. To be sure, the two approached the matter from radically different points of view. An increase granted by the Commerce Commission would have gone to the railroads, whereas, the increase is proposed in Congress as a tax for the benefit of the national Treasury. But in this, as in the other case, the shipper would have to pay the additional charge. Will it be any easier for him to pay the increase as a tax than as an addition to the rate earned by the railroads?

THE increase as a matter of fact would be very easily paid. It would be widely distributed and felt very slightly by any one, but whereas the railroads very largely, and trade to some extent by reflex action, would benefit by an increase in rates for the benefit of the railways, neither would benefit by an increase in the charge for transportation, which goes not to the agencies which perform the service, but to the Government as a tax. The plan to raise the revenue which is sought to make good the loss in customs through an increase in the income tax was abandoned almost as soon as proposed. If freight rates are to be increased, they should be increased for the benefit of the railways, which need the increase much more than the Government needs the revenue which it would derive from a tax on freight.

WERE the Government to practice economy to the extent to which the railroads have been forced to practice it to make good, through the expenses they do control, the increases in the expenses which they do not control, it would be in no need of imposing new taxes to the amount of \$100,000,000. The Senate was talking last week of reducing the appropriations carried by the Rivers and Harbors bill from \$53,000,000 to \$30,000,000. That would be a good beginning toward the economy in

which the Government should attempt to find the offset to decreased customs rather than in increased taxes.

BARGAIN hunters have apparently fallen from the high esteem in which they were once held in Wall Street. Time was when the bargain hunter was the most welcome of visitors to the stock market. He bought at low prices, to be sure, but he bought when there were no other buyers, and his advent was therefore doubly welcome, even though he wanted full value for his money—and a little more. Now he is not wanted. Only those buyers are wanted who are willing to buy at the prices of a month ago, or higher, since which time there has been no means of gauging the effect of passing events upon the market value of securities. To-day the market for securities is inarticulate. There is a demand for stocks, and a supply of them, but demand and supply cannot meet.

NO one doubts that prices would have gone much lower if the market had been opened on July 31. No one can reasonably doubt either that from the lowest figure to which stocks might have gone in those first days of the war there would long ere this have been a recovery. Not so easily can it be determined that that recovery would have carried prices up to or above the closing prices of the day when trading as a matter of fact ceased. But those are the prices at which buyers must buy if they would use any part of the machinery of the Stock Exchange. It is an anomalous condition which cannot be maintained indefinitely, but the machinery of the market having been stopped, it cannot very well be started again until there is some reasonable assurance that it will run with a fair degree of smoothness. Whence is that assurance to be got? Inasmuch as a considerable volume of stock is held on borrowed money, it would appear that the credit machinery must be working easily before the stock market machinery can be started comfortably and be prepared to care, as it must care, for the heritage of partly-paid-for stocks carried over from markets which came to an end when war supplanted commerce. But even with money easy, buyers for stock in sufficient quantity might be lacking unless there was good news of some sort at hand to stimulate demand. Hence it is felt by many that some good news of large importance is needed to pave the way for a resumption of trading in stocks, news, for instance, that the railroads had obtained an advance in rates.

IF the Southern cotton-planters are in need of charity, the frank thing for them to do is to say so and to trust to the kindness of well-disposed people to come to their assistance. It amounts to seeking charity to ask people to buy a bale of cotton at a price in excess of its present value to save the growers of cotton from selling their product at its market value, or of taking the risk of carrying it for sale some time in the future. The owners of cotton should either take what the market will give them or assume themselves the risk of the markets of the future. There is such a thing as increasing loss as well as increasing profit by withholding goods from market. The owner of cotton who seeks now the possible price of the future without assuming the intervening market risk is attempting to transfer the transaction from the field of business to the field of philanthropy. It is certain that the cotton-growers would not consciously place themselves in any such position. It is also certain that they are in no need of doing so, for the South has been prosperous for too long to be overwhelmed by one year of slackened demand for cotton.

## Relevant Annotations

*By The Onlooker*

Nobody seems to have had any clear notion of what could possibly come of the meeting between the railroad men and the President last week. The railroad men pleaded a special and extraordinary emergency, superimposed upon a chronic insufficiency of net revenue, but they had nothing definite to propose. The President expressed his sympathy and promised to put it in a letter for publication, which he did. The railroad people professed to be pleased with the letter, although there was nothing very tangible in it besides the sympathy. It suggested no way in which the revenues of common carriers could be increased at once and directly to meet the emergency, and, in fact, it could not properly do any such thing, because the power over rates is vested in the Interstate Commerce Commission, which is responsible to Congress and comes not within the sphere of the President's official authority.

Only a few weeks ago the commission gave its decision on the application of the railroads to make a horizontal 5 per cent. increase in rates, basing it upon the most voluminous record of evidence ever taken in such a case. That decision was a compromise. That the revenues of the railroads were insufficient was admitted guardedly, as to all of them in the average; but the method by which the railroads proposed to increase them, namely, a horizontal increase of rates over all Eastern territory, was rejected.

Now it is said that the railroads think of asking the commission to reopen the case, on the ground that a grave emergency has arisen. The problem of railroad rates is permanent, emergencies are transient. The railroads would be unable to adduce any evidence tending to show how long the emergency might be expected to continue, and, secondly, they would find it rather difficult to prove either that their case was worse than that of other corporations, or that their revenues would continue to be disastrously affected so long as the war lasted in Europe. Indeed, it may be that railroad earnings will not suffer in nearly the degree now expected to be the case. There are signs already of a recovery in traffic. If the railroads were simply taking advantage of an emergency to turn public sentiment in their favor and procure a reopening of the rate case, within a few weeks after its closing, that would not greatly improve the standing of their cause, perhaps, before the Interstate Commerce Commission. It is significant that the Pennsylvania Railroad people have said they would not join in another campaign for a general increase of rates. Evidently they prefer to take the cue contained in the commission's decision. They were the first to begin raising passenger rates, on the commission's suggestion.

In its decision, denying the 5 per cent. increase in rates proposed by the railroads, the Interstate Commerce Commission said:

The commission suggests that all the railroads in official classification territory examine carefully their freight rates, rules and regulations, with a view to increasing rates that are found to be clearly unremunerative, and modifying burdensome rules and regulations relating to minimum weights and similar matters, where this may justly be done. \* \* \* Many unremunerative rates had their origin in fierce competition for traffic under the menace of the big traffic of powerful shippers. Many such rates have doubtless been continued through

ignorance of the loss they entailed upon the carriers.

There the way is opened to the railroads to proceed in a sympathetic, concerted manner with a readjustment of rates and service.

It is notorious that the existing rate structure is a crazy fabric, with a very dim relation to the cost of service, and full of arbitrary charges which have for their justification only the fact either that they began on that basis and cannot be changed, or that they have to be so because the rate east and west is arbitrary. No railroad man defends the rate structure as it is, beyond saying that he found it so and could not change it. The explanation is very simple. Rates were not made by calculation at all. They grew, and the conditions under which they grew were variable and very changeable. It began when the first railroad opened for business in competition with a canal or a stage line. There was no way of telling what the cost of hauling freight by rail would be; the only thing to do was to charge a rate that would pull business from the canal or the stage line, or both, and see what would come of it. It has been growing ever since, unscientifically, almost uncontrollably. Thousands of rates are unremunerative. There is ordinarily a very large profit in hauling coal in train loads; there is generally a loss in hauling high-grade freight rapidly in less than car loads. Therefore, the producers and consumers of coal are penalized for the benefit of those who ship high-grade freight and demand express service.

As for service, it is shockingly wasted. And because it is wasted, the problem of each railroad is how to raise capital to buy more equipment when all of them combined have much more than enough equipment to move all the traffic there is, if the waste could only be eliminated and the equipment more fully utilized.

Now, the Interstate Commerce Commission, taking for once a rather large view of the railroad problem, has invited the railroads to raise their unremunerative rates and to eliminate the waste in service; and it is bound by its own decision to approve of both methods as fast as the results are presented. And the railroads, if they but saw it, could wonderfully improve the existing emergency by curtailing the waste in service with a minimum of complaint from those who waste it. The President's letter would go far in that direction. They could point to it as proof of the necessity of increasing, not their gross revenues, but their net earnings; and people would be more tolerant because of the emergency.

The railroads protest that it takes time to do all of these things. The answer is that the results would be certain and a sufficient reward. There is, indeed, no certainty that a raise of railroad rates at this time would solve the capital problem of the railroads. It certainly would not create any capital, and so long as Wall Street keeps out the sign "No Market" it will be impossible for corporations to raise capital freely, whether they are solvent or not.

THE present anxiety of railroads that have large amounts of short-term notes coming due in the next few months ought to weigh heavily against that kind of financing in the future. To raise up a great floating debt, under the euphonious

name of short-term securities, is to invite trouble. It is better to pay the price for capital in the first instance than to gamble on a decline in interest rate or a return of the fashion of saving among the people, only to renew the gamble two or three times, because the things hoped for have not come to pass, and then to collide with a panic or a condition which nobody could have foreseen, such as now exists. In vain did theorists protest against short-term financing, on the ground of its being both hazardous and costly. If there is one instance of a corporation having in the end funded its short-term notes at an ultimate cost for the capital less than would have had to be paid in the first place, it does not come to mind; instances of the ultimate cost being much greater are general. To say that the capital must be had is to beg the question. Capital can always be had by a solvent corporation if it will pay the price to get it.

Fortunately, much of the present anxiety will have been wasted. The case is not so desperate as the railroads think. At worst the notes can be renewed, if they cannot be paid, until the emergency is past, and then, if the railroads will persistently refuse either to renew the notes another time or to borrow any capital in the future unless they can afford to meet the terms of the bond market, the thing will very soon be all cleaned up.

A FINANCE Minister of Europe would fairly gloat over the opportunities for new taxation in this country. He would see so many things in every direction to be taxed without entailing enough hardship upon the consumer to be complained of that he would hardly know where to begin; and the last thing he would think of would be freight. That has not been thought of even in Europe, where taxation is carried beyond anything we know in this country. The proposal by the Ways and Means Committee of Congress to increase the Government's revenue by increasing the tax on beer and imposing an original tax upon freight denotes either a lack of imagination, a want of information on the general theory of taxation, or such partisanship as to support the accusation that it is a sectional idea especially designed to let the South off easy. To increase the tax upon whisky and tobacco would doubtless be less agreeable to the South, and yet the common sense of taxation without the theory of it at all would suggest taxing both before thinking of freight. There was never any complaint about the stamp taxes imposed during the Spanish-American war, and they were very productive. The whole country thought it would suffer from a 5 per cent. increase in freight rates to promote the prosperity of the railroads, and here it is proposed to increase them 3 per cent. at the same time that the railroads are proposing that something be done to increase their revenues. If the railroads were allowed to raise their rates 5 per cent., and the Government added a 3 per cent. tax, rates would be increased 8 per cent., and every railroad man would wonder if, under that penalty, freight would continue to move as before. The proponents of the tax upon freight say: "What is \$65,000,000 added to an annual freight bill of more than \$2,000,000,000? And besides, it will be passed on to the consumer." But when the railroads said, "What is \$100,000,000 added to the country's freight as against railroad prosperity?" the cry was that the shipper would pass it along three and four fold to the consumer.

*Onlooker*

## Pay-As-You-Go Financing

### *That Is What New York, Whose Debt Rivals That of the Nation, Now Proposes for a Large Part of Its Improvements—Growth of the City's Floating Debt*

THE City of New York, at the instance of the bankers who extricated it from its difficulties in respect to its \$80,000,000 obligations maturing abroad by arranging the \$100,000,000 loan just put through, has declared a drastic change of policy in its methods of financing. The essence of it is that improvements hereafter authorized, aside from those that are revenue-producing, instead of being financed by the issue of fifty-year corporate stock (bonds) as in the past, are to be met largely, and eventually altogether, by appropriations in the annual tax budget.

This is to be brought about gradually through the next three years, which is the remaining term of the present city administration. Non-revenue-producing improvements, such as the building of school houses, which has long been the largest item of this sort, from now on and up to the end of 1915 are to be paid for to the extent of 25 per cent. by the issue of one-year bonds, which are to be paid off with the proceeds of an appropriation in the budget for 1916. The balance is to be met by the proceeds of fifteen-year bonds. These bonds may run for the full period or they may be payable serially in installments each year of the term, in which case the payment of each year is to be met by an appropriation in the budget. This latter plan is the one actually contemplated, but the alternative was provided in the interest of elasticity.

#### GRADUAL CHANGE

Similar expenditures made in 1916 will be handled in the same way, except that 50 per cent. will be paid for in a year and 50 per cent. on the fifteen-year plan. Those of 1917 will be paid within a year to the extent of 75 per cent., and on the fifteen-year plan to the extent of 25 per cent. Those of 1918 and following years, it is contemplated, will be paid for wholly on the one-year plan. Revenue-producing improvements, such as subways, docks, and water supply, will continue to be paid for through fifty-year bonds.

All this means, of course, more taxes, but only a feeble protest was made on the part of taxpayers when the plan was approved by the Board of Estimate and Apportionment last Friday. The great bond issues of the past have piled up interest and amortization charges so that they have become a heavy burden on the taxpayers already, and the portion of the annual budget that is devoted to "debt service" has become so formidable that public sentiment is fairly prepared for a cessation in the process of piling it up still further, even though it may cost more for a few years to do so.

While in one way the change means more taxes, in another it means enforced economy in expenditures in an effort to offset the increase, for there is a legal as well as an economic limit on the point to which the tax rate may be raised. The city officials also expect to increase the municipal revenue from sources other than taxation. This possibility was thoroughly investigated a couple of years ago by a special commission, which made a number of recommendations. Nothing came of

them, but the present and future need of utilizing them has induced the city authorities to begin work on proposed legislation to take advantage of them.

In urging this change of policy the bankers had in mind the recurrent strain caused by annual issues of long-term bonds in amounts that have run from \$45,000,000 to \$65,000,000 in recent years, and by the continual sale and renewal of short-term obligations. The latter comprise corporate stock notes, issued in anticipation of the next bond sale, and revenue bills and bonds, issued in anticipation of the collection of taxes. The aim of the Finance Department in handling these bills and notes is to take advantage of fluctuations in the money market. They are issued for periods varying from several months down to three days, and there has been a constant inflow and outflow in large volume.

#### FREQUENT BORROWING

Up to a few years ago the city sold bonds from time to time during the year to provide for its needs of the immediate future, with the result that it had large balances in the banks with which to pay accounts that were not due, and was frequently forced into the money market.

The outstanding amount of revenue bonds and bills has greatly increased since the consolidation of the other boroughs with the old city on Jan. 1, 1898.

From Jan. 1, 1909, when the maximum of close to \$83,000,000 revenue bonds was outstanding, the amount has come down steadily to \$40,000,000 at the beginning of this year. The use of corporate stock notes, however, has more than offset this decline and the aggregate outstanding temporary obligations have continued to grow as a result, so that at the beginning of 1914 they were more than \$102,000,000, as against \$3,000,000 at the beginning of 1898.

While the funded debt, mainly in the form of fifty-year bonds, has trebled and nearly quadrupled in that time, the use of

temporary obligations has far outstripped it. Whereas in 1898 the temporary obligations were about 1 per cent. of the bonds outstanding, in 1914 they were nearly 9 per cent. of the much greater amount of bonds at that time. The gradations are shown in the following table, the figures including all obligations, whether in the banks or in the city's own sinking funds:

Year.	Corporate Stock	Bills and Notes	Per Cent. of Bills and Notes to Corporate Stock
1898.....	\$321,905,514	\$3,069,245	0.9
1899.....	341,844,226	8,187,265	2.4
1900.....	359,620,986	3,177,912	0.9
1901.....	384,794,598	7,495,936	1.9
1902.....	412,047,717	14,235,598	3.4
1903.....	434,339,606	26,739,908	6.1
1904.....	477,623,199	49,285,750	10.3
1905.....	552,954,132	39,865,640	7.2
1906.....	594,056,513	48,377,500	8.0
1907.....	658,234,892	57,874,770	8.8
1908.....	726,646,965	62,014,037	8.6
1909.....	799,441,994	82,998,590	13.0
1910.....	880,430,289	65,575,439	7.4
1911.....	946,003,798	66,239,158	7.0
1912.....	1,014,016,140	76,437,365	7.5
1913.....	1,087,298,948	77,141,937	7.0
1914.....	1,162,438,070	102,449,203	8.9

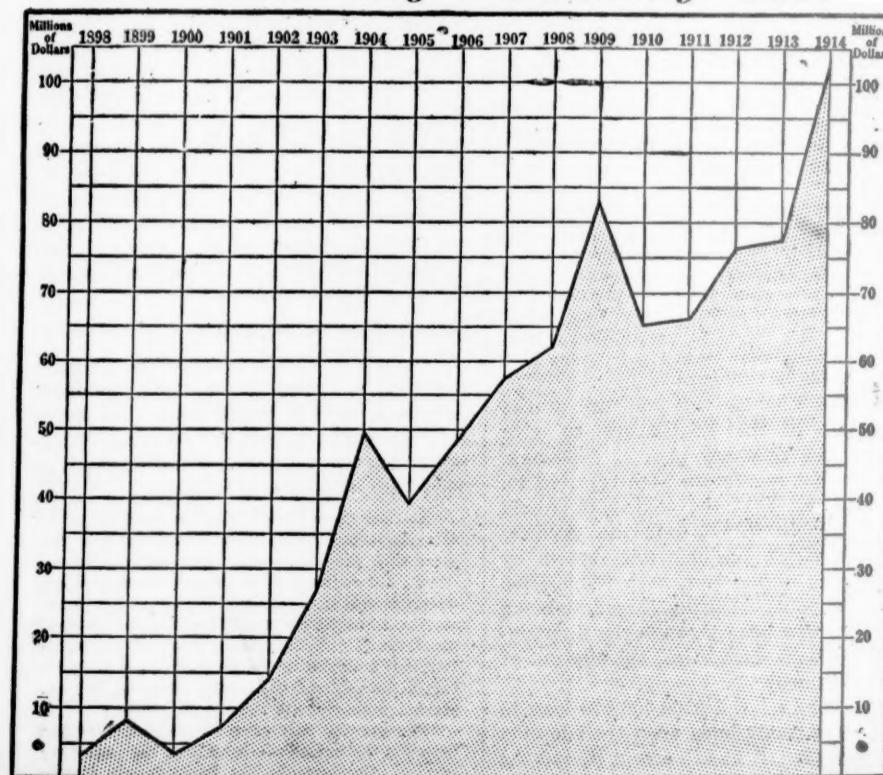
This growing mass of long and short time obligations has not only put a strain on the market at times, but has been viewed with uneasiness by taxpayers, city officials and investors, who have feared a decline in the value of their holdings of city bonds through an oversupply. While the bankers urged the change now decided upon, it was already in the minds of city officials as long ago as last Winter.

#### A GREAT SAVING

At that time Controller Prendergast, in an address, raised the question, "Shall the city change its policy in regard to long-time borrowing?" and outlined a plan for serial bonds, to be paid through budget appropriations, substantially identical with that now adopted. He emphasized the enormous savings in total interest payments as contrasted with those under the fifty-year bond plan.

Taking a \$50,000,000 improvement as a basis, he presented tables showing that the interest saving would amount to \$73,-

### New York City's Floating Debt



The chart shows the growth in the city's short-term borrowing from its sinking funds as well as from the public, the amount of corporate stock notes being included along with other temporary obligations of the city.

000,000. Under the fifty-year plan the budget must provide for \$443,275 annually for amortization and \$2,250,000 for interest at 4½ per cent. In fifty years the total cost would be \$134,663,750. Under a ten-year serial plan, then under discussion, with \$5,000,000 of the principal paid out of taxes each year, the total cost would be but \$61,000, as follows:

No. of Years.	Balance of Principal.	Budget First of Each Year.	Interest at 4½% on Budget Appropriation.	Total Balance of Principal.	Total Annual Requirements.
1st	\$50,000,000	\$5,000,000	\$2,000,000	\$7,000,000	
2d	45,000,000	5,000,000	1,800,000	6,800,000	
3d	40,000,000	5,000,000	1,600,000	6,600,000	
4th	35,000,000	5,000,000	1,400,000	6,400,000	
5th	30,000,000	5,000,000	1,200,000	6,200,000	
6th	25,000,000	5,000,000	1,000,000	6,000,000	
7th	20,000,000	5,000,000	800,000	5,800,000	
8th	15,000,000	5,000,000	600,000	5,600,000	
9th	10,000,000	5,000,000	400,000	5,400,000	
10th.	5,000,000	5,000,000	200,000	5,200,000	
Totals	\$50,000,000	\$11,000,000	\$1,000,000	\$134,663,750	
Totals saving to city under above principle of financing by 10-year budget appropriations to directly redeem principal of \$50,000,000 debt.					73,663,750

The increase in the budget appropriations would be \$4,306,725 the first year, \$4,106,725 the second year, \$3,906,725 the third year, \$3,706,725 the fourth year, \$3,506,725 the fifth year, \$3,306,725 the sixth year, \$3,106,725 the seventh year, \$2,906,725 the eighth year, \$2,706,725 the ninth year, and \$2,506,725 the tenth year.

In the ten years the taxpayers would have paid \$34,067,250 more than under the fifty-year plan, but under the latter they would still have \$73,000,000 to pay instead of having the entire amount liquidated. By a different arrangement of the amount due for each of the ten years the annual expense could be more nearly equalized.

#### THE CONTROLLER'S OPINION

After referring to the large city issues and the accompanying increase in interest rates within the preceding five or six years, the Controller said:

It is not to be expected that with demands coming from every direction these great issues of bonds can be made continually without bringing about a decided increase in the interest rates. Consequently the great problem of cities at the present time is to devise methods of meeting their financial obligations without hardship upon the taxpayers, and at the same time without producing effects in the credit world which are bound to make long-term borrowings extremely difficult.

There has been too much of a tendency to cast upon posterity the financial burdens incurred by the present generation. The people themselves have been largely to blame for this because they have encouraged and demanded great outlays for public improvements under the fallacious belief that they were really paying no part of the debt. In my opinion the most salutary thing that could be done at the present time would be to prevent, as far as we possibly can, any large additions to our present bonded indebtedness. This cannot be accomplished unless we discover some other method of financing important public improvements.

The City Charter was amended at the last session of the Legislature to give authority for this new plan of financing, but it has not heretofore been resorted to, as it was felt that the taxpayers would strongly oppose it. It took the predicament into which the city was thrown by the outbreak of the war, with \$80,000,000 of bills and notes maturing abroad, to bring the matter to a head through the intervention of the bankers who got the city out of that predicament.

Realizing that the \$100,000,000 loan to the city was conditioned upon the adoption of the new plan, it had to accept it, and the City Government is now bound, morally at least, to cut down its issues of long-term bonds.

## Allocating Expenses

### The Railways Have a Hard Task in the Apportionment of Operating Costs Between Passenger and Freight Services—A Theoretical Road to Revenue Increase

RAILROAD travel, which has been so freely indulged in by citizens of the United States, will shortly become more of a luxury if the Interstate Commerce Commission has its way. In its rebuke to the carriers asking for a 5 per cent. increase in freight rates the majority report said that freight traffic should not be made to bear the cost of luxurious and high-speed passenger traffic.

How much of the cost of the ride which one takes in a smooth rolling express train, for the convenience of which all the road's freight service has been specially adjusted, is paid by the buyer of freight service now it is impossible to say, for the reason that the railroads, as a whole, have not separated their freight and passenger train expenses. It has always been taken for granted that the higher the class of service rendered the traveler the smaller the share of direct profit, and that the famous high-speed trains, known the country over by name, and carrying a limited number of passengers at an advance over the regular rate of fare, have hardly been profitable in themselves.

#### A SUGGESTION

The Interstate Commerce Commission has not ordered the railroads to apportion their expenses between the two classes of service, but it has intimated that their success in getting higher rates depends in part upon their making the suggested classification. The commission has put on record its belief that much of the State legislation limiting passenger fares would be done away with if the carriers made a distinction between the cost of carrying passengers and freight, and that if it were shown that a large share of travel is unremunerative at present rates the public's sense of fair play would see to it that no obstacles were raised to prevent a proper increase. In the recent decision the commission suggested that State laws limiting fares might give way to a frank examination of the question, and they advised the carriers to take the first and necessary step by arranging their accounts to show the cost of passenger traffic. In support of this opinion the acquiescence of the people of New England in advances in passenger rates by the New Haven was cited.

#### SHOULD BEAR ITS COST

The commission is evidently of the opinion that the burden of the costly passenger terminals now in vogue should be borne entirely by the passenger revenues. Speaking of the two magnificent stations in New York City, the commission said:

Another cause which has depressed the ratio of revenue to investment in recent years is the increasing proportion of investment in property which, although used in transportation and acquired in response to a public demand for better service, is relatively unproductive under present practices. \* \* \* The construction of expensive terminal facilities in the large cities, while adding to the value of the service rendered, has not yielded proportionate returns in revenue.

The greater part of these expenditures has been for the immediate benefit of the passenger service. For instance, the Pennsylvania Station in New York has involved the expenditure to date of about \$114,000,000, and with respect to the new passenger station of the New York Central, it

was said that "when its passenger improvements are completed the company will have expended in that betterment \$82,000,000, nearly one-half the capitalization of that magnificent property, the Lake Shore & Michigan Southern Railway."

The Interstate Commerce Commission, in its tentative form of annual report for the fiscal year ending June 30, 1915, has included blank columns which, at the option of the railroad company, may be used to show a division between expenses incurred in passenger and freight service. However, it is not incumbent upon the roads to make the classification, and the commission has yet to outline how a large proportion of the expenses incurred for both passenger and freight trains should be divided.

Railway accountants who have given a great deal of thought to the problem have yet to agree on the proportion of costs that should be charged against the passenger service. It is obvious that to a considerable degree any such division must be arbitrary, since the larger share of the facilities used is necessary to either branch of the service.

#### SETTING STANDARDS

The Pennsylvania Railroad has been dividing its expenses for some years, revising its schedules for the division from time to time. Recently railroads running through Oklahoma, co-operating with the State Railroad Commission, have made a more elaborate attempt at classification. The Oklahoma scheme is less arbitrary in its allotment of costs, but it has not been given a real trial yet.

Maintenance of way presents the most difficulties of any of the general classes of expenses, and many of the primary accounts under this heading have to be divided on an arbitrary basis. The Pennsylvania divides all of the maintenance of way and structure accounts as between freight and passenger service on a revenue train-mile basis, with the exception of electric power transmission and docks and wharves. The Oklahoma plan is based on the theory that a considerable proportion of these expenses may be divided directly, and fairly accurately, through a careful observation of the facts. This involves a division of expenses for superintendence for both line and terminal maintenance of way accounts after a study of the amount of time actually spent by men on the work of each class of service. The remainder of the superintendence expenses are divided in the same proportion as are the expenses of line and terminal.

#### ALLOCATION THEORETICAL

It will be seen that to a very large extent the allocation of costs becomes theoretical, since no one can say what part of the wear and tear on a piece of property is due to its use for freight service and what part for passenger. When B. A. Worthington was receiver of the Wheeling & Lake Erie he submitted to the Interstate Commerce Commission a lengthy brief showing how unreliable any method so far discovered of dividing the operating costs is. Mr. Worthington's study of the question was prompted by an attempt of the Pittsburgh Vein Operators' Association to establish the actual cost of moving coal to the lake front.

In this brief it was pointed out that the capital expenses of a railroad, i. e., taxes, rentals, interest, and dividends, bear little or no relation to the volume of business, and consequently the only unit of measurement available in classifying such costs is an arbitrary basis. As for operating expenses, it was argued that not more than

50 per cent. may be directly allocated with any considerable degree of accuracy, while 15 per cent. may be classified upon some basis having more or less indirect relation either to freight or passenger service, and the remaining 35 per cent. is impossible of separation on any basis other than an arbitrary and theoretical apportionment.

#### WIDE LATITUDE

To show how wide is the latitude between the classification that would be made by one expert accountant and that by another with equally good reason, Mr. Worthington applied five systems which have been used to the earnings of the Wheeling & Lake Erie in 1911. He achieved this result:

Method Used.	Chargeable to Freight.	Chargeable to Passenger.
Hillman, No. 1.....	\$489,000	\$124,000
Hillman, No. 2.....	550,000	42,000
Great Northern .....	407,000	204,000
Rock Island .....	400,000	212,000
J. P. Muller.....	525,000	87,000

Mr. Worthington came to the conclusion that calculations as to the proper division of expenses for the two classes of service could properly relate only to that portion of the costs that can be directly assigned. There has come to be known what are regarded as direct, or assignable, and indirect, or unassignable, expenses. Applied to particular commodities or rates, a division on these lines becomes of value. For instance, a considerable volume of tonnage is often moved in the direction of the empty car movement at a cost that would be considerably less than the total average cost, and yet this basis could not reasonably be used for the purpose of determining the reasonableness of a rate.

#### INCONSISTENCIES

Until the commission itself selects a method of classification for expenses incurred jointly by the two classes of service, attempts at separation by the railroads along the lines of the suggestion in the rate decision are likely to show many inconsistencies. And it is easily conceivable, in the light of past experiences, that if the carriers use one method to prove that their passenger business is not bearing its proper share of the costs, and should therefore get higher rates, the railroads from some quarter may be confronted with another set of figures, made up on a different plan, which would seem to prove that it is the freight department which is not bearing its proper proportion of the expenses.

Uniformity at least would be attained by the Commerce Commission fixing definitely the rules for the division of expenses. If each road follows its own bent in apportioning its expenses between the passenger and freight services, the figures will not even be comparable, and such usefulness as they would otherwise possess would be greatly lessened. It is recognized, too, that the division now suggested by the commission for the purpose indicated by the commission will be made under the handicap of the natural desire of the railroads to make as good a showing as possible in favor of the advances in passenger rates which they are already making where they are free to do so.

#### Transportation in Japan

The Japanese railroads are nearly all Government owned, the division of mileage in 1912 being 5,217 under Government control and 563 owned privately. The regions not supplied with railways are for the most part sparsely settled. These sections are being reached with tram lines and automobile stages.

## Growth of Postal Savings

#### Habit of Intrusting Savings to the Government Is Taking a Firm Hold Here, and There Is Real Demand for the Proposed Change in the Limit on Deposits from \$500 to \$1,000

THERE has been a striking increase in the use of the postal savings banks in this country since the beginning of the European war. Particularly in New York, which has a larger proportion of foreign-born population than any other city, the outbreak of hostilities was followed immediately by a rush of depositors to put their small funds in the hands of the Federal Government.

This tendency may be ascribed to the following considerations: A belief that with half the civilized world plunged into a destructive war this Government is the safest possible custodian of money; the action of the State savings banks in availing themselves of the law allowing them to exact a sixty-day notice from depositors wishing to draw out their funds; the failure, at the very first sign of trouble, of several east side banks run by private individuals, and until recently, free from effective control by the banking authorities; the incentive to thrift given the people by the war.

#### RESTRICTED GROWTH

To date the growth of the postal banks has been checked by restrictions which have lessened the competition with State savings institutions. At the outset it was intended to provide a place for the deposit of small savings, which for one reason or another the savings banks cannot attract, and to prevent the withdrawal of money from the banks a law was passed prohibiting the Postal Savings Department from accepting more than \$100 in any calendar month from the same depositor, and from accepting additional deposits after an account has reached \$500.

It was recognized long ago that the amount of money which the postal savings system causes to be withdrawn from banks is very small, and that a large part of the deposits of the system represents hoarded money that is restored to the channels of trade. It was recognized that a still more valuable service in this respect would be rendered were it not for the present prohibitions that have necessitated the refusal of deposits aggregating millions.

Postmaster General Hitchcock recommended more than two years ago that the law be so amended as to remove the limitation on deposits, with the proviso that no interest should be paid on any sum in excess of \$1,000 deposited by a single person, in the belief that there would then be no incentive for the transfer of money from savings banks, and that many who do not patronize such banks, but hoard their savings, would doubtless trust their funds to the Post Office Department.

#### BILL VETOED

This change has been incorporated in legislation which has been approved by both branches of Congress, but on Friday of last week Mr. Wilson vetoed the measure on the ground that it should provide for the transfer of Postal Savings deposits, after a period of twelve months, from State banks which do not join the Federal Reserve System, to banks which are members of the Federal Reserve System. The Presi-

dent expressed his hearty approval of the main features of the bill, but pointed out that Government moneys ought to be kept in the institutions most closely subject to Government control. With this minor change the bill is expected to be re-enacted. In effect, it is now possible for depositors to put as much as \$100 a month into postal banks without limit as to the total, if they exchange their balances into postal savings bonds, which pay  $2\frac{1}{2}$  per cent., as against the rate of 2 per cent. paid on deposits. These bonds, by a ruling of the Postal Savings Trustees, can be turned back to the department, to be redeemed at par, at the option of the holder.

#### RELEASING HIDDEN CASH

The economic advantage of the postal savings system lies in its function of mobilizing thousands of small sums hitherto kept out of circulation by thrifty persons, and putting the money into use. The savings deposited at each post office are required by the law to be redeposited in local banks. At the close of the first full year in which the system was in operation, the fiscal year ended June 30, 1912, State and national banks to the number of 7,357 qualified as depositories for these funds. The deposits in these banks were secured by bonds aggregating \$54,000,000, of which \$37,000,000 were municipals, the marketability of which was greatly increased by the demand created by the provisions of the postal laws.

The New York Stock Exchange closed its doors on Friday, July 31. Saturday was a half holiday, but on Monday the money order clerks in all of the New York City offices, who act as paying and receiving tellers for the postal banks, were made aware of the change in the financial situation. The net surplus of new deposits over withdrawals for the last eight days preceding the disturbance in Europe, compared with the surplus on the next eight days, was as follows for New York:

July 24.....	\$64	Aug. 3.....	\$57,145
July 25.....	1,300	Aug. 4.....	66,556
July 27.....	11,497	Aug. 5.....	51,519
July 28.....	9,730	Aug. 6.....	34,755
July 29.....	6,145	Aug. 7.....	35,092
July 30.....	4,853	Aug. 8.....	29,251
July 31.....	5,584	Aug. 10.....	52,150
Aug. 1.....	6,894	Aug. 11.....	42,016

#### DEPOSITS REFUSED

The increases would have been larger had the savings stations been allowed to take amounts in excess of \$100. Foreigners returning home to fight, or frightened at the war talk, tried to have the money order clerks accept large sums which they had kept hidden away. In two instances a clerk reported that he had been compelled to refuse more than \$8,000 from men about to return to Europe.

The Post Office Department has not compiled the figures of deposits for July and August of this year, but preliminary returns indicate a net gain in August of \$1,522,000 for the four largest cities alone. In August of last year the total deposits were \$4,161,000, and the withdrawals \$2,669,000. For June of this year, the latest month for which figures are obtainable, deposits were \$4,128,000, and withdrawals \$3,435,000. The aggregate deposits on June 30 this year were \$43,444,271.

An idea of the recent rate of growth in deposits may be gained from preliminary figures for New York. In the thirty-three days ended Sept. 9 the New York offices received new deposits totalling \$1,210,000. On two separate days last week the deposits

exceeded \$80,000. Money has been coming in so fast that there has been difficulty in finding depositories ready with the required collateral security. The Postmaster at New York had \$130,000 at the Sub-Treasury last Wednesday awaiting the convenience of depositories.

#### RUNNING EXPENSES

It was estimated that the gross income for the fiscal year ended June 30, 1913, amounting to \$700,000, would suffice for a payment of \$300,000 in interest and take care of the expenses of the clerks at the general office. For the compensation of clerks at the stations \$275,000 was allowed, so that the system was not far from self-sustaining at the end of 1913, and is now probably showing a profit over all expenses.

People who use the private savings banks are generally actuated by a desire for interest on their money. In this respect a different appeal is noticed among most of the users of the Government system, where the depositors are more concerned about the safety of their money than as to its earning power. That explains to some extent the difference in the class of patrons, Americans and the more intelligent foreigners going to the savings banks, while for the most part depositors with the Post Office are ignorant of the safety and convenience offered by the State institutions, and so accept half as much interest from the Government.

When the postal savings system was first established in this city branches were opened at eight Post Offices, and owing to the wide distances separating them many of the patrons had to go far out of their way. When the experiment had proved its success, thirty-three more offices were opened. Since then the authorities have noticed that the deposits at the original stations have steadily increased over those of the offices opened later.

#### MENTAL HABITS

It is an interesting illustration of the mental habits of many of the depositors that they still travel away from the stations in their neighborhoods in order to put their money in the office where they opened their account. The sight of a familiar face behind the window reassures them, and not only do they refuse to patronize a nearer office when urged to do so for their own convenience, but they bring their more recently landed friends along with them when they have begun earning American dollars, and want a place to keep a part of them.

The United States was far behind other countries in opening postal savings agencies, the first offices, which were of an experimental nature, not having been established until Jan. 3, 1911, but it is probably true that in no other country has the system been developed so rapidly after its inauguration. There existed for many years an untested theory that conditions in this country did not justify the use of Post Offices for the receipt of savings, and it was predicted when the experimental stations were opened that only the foreigners, who came here with a predilection for State-owned institutions and a deep-seated distrust of private banks, would make use of the postal savings.

To a certain extent this expectation has been justified, for the alien element has used the new facilities much more largely in proportion to numbers than American citizens, but there is a very large representation of Americans among the depositors, too. That it is not larger is due to the fact that most people prefer to use savings banks incorporated under State

laws, and paying  $3\frac{1}{2}$  or 4 per cent. interest to the postal banks paying but 2 per cent.

The first postal savings system was put into effect in 1861 by Great Britain, and the interest rate, which was fixed then at  $2\frac{1}{2}$  per cent., has never been changed. The extent of the system there may be appreciated from the fact that 1,657,000 new accounts were opened in 1908, and 1,331,000 closed. In a single day there were 55,485 withdrawals. The whole number of depositors at the close of that year was 11,018,000, with aggregate deposits of \$781,794,000. One year's interest paid to the thrifty depositors totaled \$18,360,000.

#### OTHER SYSTEMS

One in every four persons in the United Kingdom is a depositor, the average amount of credit to each being about \$73. There are twenty-three foreign and Colonial Governments which participate in an arrangement with the British Post Office for the transfer of accounts at the request of depositors. More than 5,000 schools in the United Kingdom have penny banks, money from which is put into the postal banks.

Canada instituted its system in 1868, and now has average deposits of between \$200 and \$300, indicating a well-to-do patronage. For more than twenty years the Dominion paid 4 per cent., but this rate was reduced to  $3\frac{1}{2}$  in 1889, and to 3 per cent. in 1897. Other banks have had to conform closely to the interest rate established by the postal system, and have charged that the nation's business interests suffered by reason of the high rate paid prior to 1897. Only one person in thirty was making use of the service in 1906.

France began by authorizing officers of savings banks to avail themselves of the assistance of the Post Offices in the transaction of business of the public, but the priv-

ilege was little used, so that in 1882 the Government established a postal savings system. The rate of interest was originally 3 per cent., but it was reduced to  $2\frac{1}{2}$  per cent. in 1895. Letter carriers are paid a small commission on new books opened through them, and branch banks are established on the war ships, where those in service make deposits and send money to their families, or buy Government stocks.

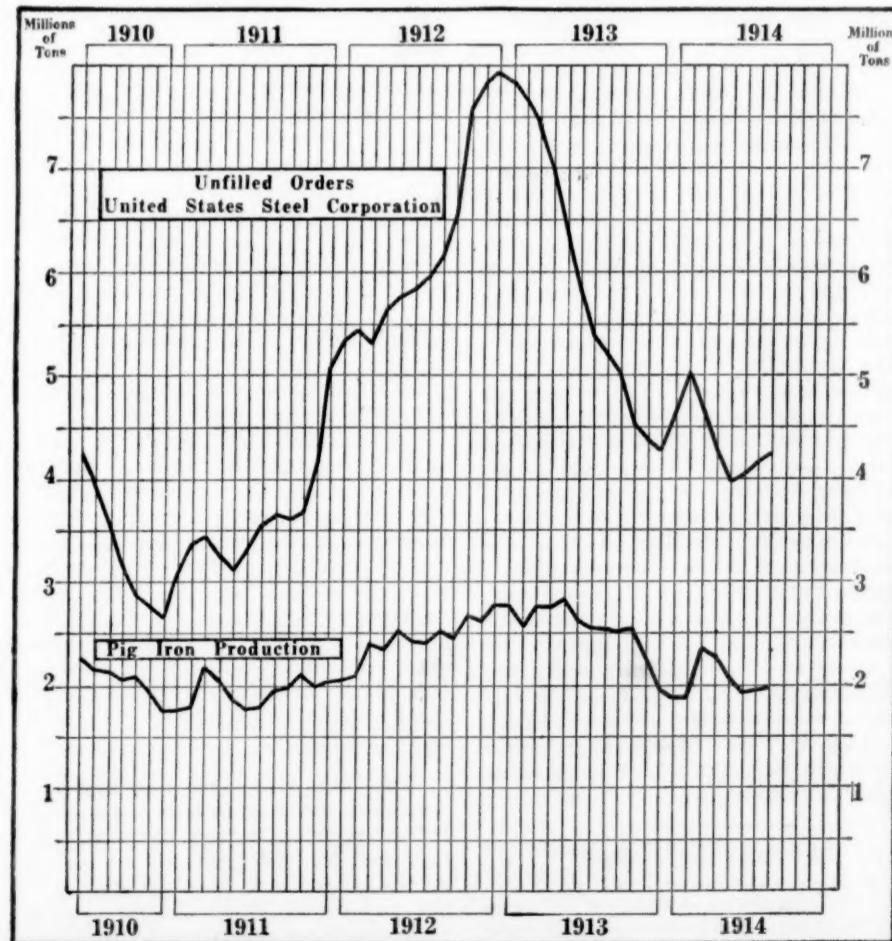
In the same way money may be deposited by friends at home for transmission to those in service. The maximum account for individuals is \$300, after which any excess is invested in Government stock for the depositor. Italy has 5,000,000 postal savings depositors, with aggregate holdings of \$300,000,000. The rate of interest fluctuates with the income on the investments; at one time 3.50 per cent., it has been down to 2.04 per cent. The bank collects dividends on Government securities and credits them, and gathers together small savings of the school children.

#### Automobile Exports

Exports of American-made cars have increased relatively almost as fast as their sale at home. In the fiscal year ended June 30, 1914, a new record of automobile exports was established when \$40,136,563 were shipped to other countries against \$39,325,000 in 1913, the former high record year.

Europe bought nearly one-half of our entire sales of automobiles to foreign countries last year, although some consignments were for reshipment to other parts of the world. To the United Kingdom the exports amounted to 7,222 cars, valued at \$5,853,127; to Germany, 1,435, valued at \$1,059,249; to France, 1,429, valued at \$924,130; and to other countries of Europe, 3,271, valued at \$2,580,428. Canada and Australia are also important markets, the former having taken 4,624 cars, valued at \$5,919,776; and the latter, including other British Oceania, 4,244, valued at \$3,695,595. To South America as a whole we sold last year 1,985 automobiles, valued at \$1,939,212; and to Mexico 167, valued at \$256,675.

### Steel Trade Barometers



Iron output increased in August, and the Steel Corporation's unfilled orders showed a further increase, holding true to its previously established tendency, despite the unsettlement caused by the war.

# Foreign Correspondence

MUCH encouragement was given at London last week by the victories won by the Allies. In its internal affairs the English market finds ground for hopefulness in the fact that money has become abundant, the discount rate having come down to 3½ per cent., while the manufacturing industries are being adversely affected by the war only to a minor extent. A further issue of Treasury bills is expected to find a favorable reception, and the chance of a discontinuance of the moratorium is believed to have been substantially increased by the steps which the Government has taken to facilitate trade transactions with foreign countries. London has been advised that funds are in hand there to pay off the New York City bills which fell due this week. Paris was silent.

## LONDON MUCH CHEERED

### *Money Is Easy and Most Lines of Trade Are Not Unfavorably Affected by the War*

*By Cable to The Annalist*

LONDON, Sept. 12.—The victory of our troops and the hope that the allied armies have checked the whole German advance make the city hopeful while still expecting a long contest. The position of the banks is steadily improving, the market being over-supplied with loanable credit. The discount rate is steady at 3½ per cent.

Official figures show little unemployment. Wool and cotton factories which depend upon Continental demand are working on short time, but are still working. There is clear evidence in some lines of diversion of trade from enemies to this country, and in these cases plants are working overtime. Only about one-quarter of the principal manufacturers have so far been affected by the war.

An important body of opinion is still against a suspension of the moratorium. It is felt particularly that ample warning of a discontinuance of the moratorium should be given. The important scheme recently adopted by the Government for the facilitation of the foreign exchanges may serve as a substitute for the moratorium in this special business. If a plan can be arranged between the Stock Exchange and bankers for the reopening of the exchange the moratorium might be removed. Measures have been taken to restore business in bills drawn on places abroad.

The £15,000,000 additional treasury bills to be issued next week are assured of a good reception. As we have not suspended specie payments we may be called on shortly to send gold as usual to Egypt to finance the cotton crop. For that we are well prepared.

Of the currency notes lately issued an increasing amount is being paid for, only £1,500,000 now being on loan to bankers. The announcement made this afternoon that funds are in hand here to meet the New York City sterling bills falling due next week was very welcome.

## N. W. Halsey & Co.

### Bonds for Investment

*Circular upon request*

**49 Wall Street, New York**

Philadelphia Boston Chicago

## DUTCH WAR BANKING

### *How Bank of the Netherlands Met the Problems Brought on by the European Struggle*

*Special Correspondence of The Annalist*

AMSTERDAM, Aug. 17.

A STRIKING illustration of the severity of the present financial crisis afflicting this country is found in a comparison of the statements of the Bank of the Netherlands for the weeks ended Aug. 15 and July 25. They compare as follows:

	Florins, July 25.	Florins, Aug. 15.	Change, Per Cent.
Bills discounted .....	88,135,200	189,156,897	+115
Advances .....	61,685,882	137,142,265	+125
Gold .....	62,113,682	101,982,169	+
Silver .....	8,228,004	61,295	-93
Circulation .....	31,437,275	445,409,300	+43
Deposits .....	4,737,223	31,633,820	+570

As the various countries are protecting their gold stocks by prohibiting exports, it has been impossible for the bank to increase its holdings of that metal, but protective measures have prevented an outflow of gold. Owing, however, to the extraordinary increases in other items of the statement, the percentage of gold to liabilities is very much smaller than it was a few weeks ago. For instance, on July 25 the ratio of gold to notes in circulation was about 55 per cent., whereas it is now only about 36 per cent. This change was made possible by alteration of the bank law, according to which the minimum percentage by which the notes must be covered in gold has been reduced from 40 per cent. to 20 per cent. The far-reaching consequences of this measure are evident from comparison of the figures relating to the notes that the bank is entitled to issue. On July 25 the available balance of gold against which bank notes might still be issued, amounted to 43,521,483 florins. According to the then ruling bank law the amount of notes that could still be issued was about 108,000,000 florins. Since then 135,000,000 florins of new notes have been issued, so that should the former law relating to the issue of banknotes have been maintained, not only the bank would have reached the limit of notes that could be put into circulation, but even exceeded. Now that only 20 per cent. cover in gold is required, the amount of gold still available as cover for new banknotes amounts to 66,514,735 florins, so that 32,500,000 florins of additional notes can be issued.

The necessity of such a drastic measure is clear when studying the other items of the bank statement. Bills discounted increased from about 88,000,000 florins to 189,000,000 florins notwithstanding the fact that the rate of discount for prime bills provided with three signatures was on July 25 3½ per cent., and is now 6 per cent., and those for bills with two signatures have been raised from 4 per cent. to 6½ per cent.

Another item of great importance, "Advances on stocks, bonds, and goods," has advanced from 61,000,000 florins to 137,000,000 florins. The interest rate on advances on Dutch securities was a few weeks ago 4 per cent., on foreign securities 4½ per cent., and on goods 4 per cent. These rates have been advanced respectively to 6½, 7, and 6½ per cent. Moreover, the bank always practices great discrimination as to collateral, and only first-class Dutch and foreign investment securities are accepted. A margin of 20 per cent. has to be kept good. Notwithstanding these heavy conditions there was an increase of 125 per cent. in advances. It is due partly to the closing of the Stock Exchange, in consequence of which the borrowing of money on the Dutch Stock Exchange for a period of one month has temporarily been stopped, so that those in want of money are forced to borrow from the bank. The silver stock is nearly exhausted. Even before the crisis, the stock of silver was not very large because of large shipments made during the last few years to the Gavosche Bank, Batavia. The run for silver during the last few weeks here was caused by the hidden and unjust distrust of the security of the banknotes, especially among the lower classes, so that during a few days it was quite impossible to buy the necessities of life without paying in silver. The Government has put a stop to this absurd movement by issuing 25,000,000 florins of paper money, exchangeable later on into silver.

Deposits are always on low ebb with the bank, because it does not allow interest on them. Nevertheless, deposits have risen from 4,737,000 florins to 31,633,000 florins. This must be partly attributed to the fear that exists as to the solvency of the banks, most probably entirely unreasonable, in consequence of which some of the depositors

transfer their deposits to the Bank of Netherlands, preferring to miss all interest than to have any doubt as to the safety of their money.

## WEST IS HOPEFUL

### *Good Farm Yields and Easier Money Are Encouraging Business and Commercial Interests*

CHICAGO, Sept. 10.

RAILROAD congestion at the Gulf has been removed and Eastern lines issue through bills of lading on London, while some steamship lines are giving fairly satisfactory service, and the financing of oversea trade is arranged somehow. The money situation is a trifle easier in the West, with occasional gleams of interest in commercial paper at an average rate of about 7 per cent. Only the most attractive names and maturities command better. Borrowing demand is well sustained and deposits hold steady.

This season's crops have been measured, and upon the whole there is little room for complaint. Late crops are turning out better than was expected a few weeks ago. Certainly the farmers have been superabundantly blessed. Farm value of cereals and hay, based upon farm values Sept. 1, shows a total increase over last year of about \$625,000,000, according to the Government's September crop report. There will probably be a large increase in new wheat acreage in Illinois and other States as the result of this year's phenomenal crop of Winter wheat. Autumn field work in many sections is making good progress.

Nowhere in the interior is there any consternation over the financial and commercial effects of the European war. Country merchants are most concerned over the lack of certain fine grades of goods and specialties, which formerly were imported from Europe. Reassortment of orders is necessitated on a large scale.

Industrial and commercial interests find little improvement in their actual business, excepting those that can participate most directly in agricultural prosperity and a few others which are in position to take advantage of the shifting process, but nearly all find much to encourage them in prospects. There is plenty of call for their products from other lands, but the bankers insist upon as much caution as courage.

Prevailing opinion on the Board of Trade is that prices rose to a level that more than discounted the effect of the war for the present at least, and that the edge is off the export demand. The wheat market broke this week because it had been overbought in London, New York, Chicago, and elsewhere.

#### European Banks Statement

##### BANK OF ENGLAND.

	1914	1913	1912
Bullion .....	487,508,000	442,434,493	442,169,161
Reserve .....	30,730,000	31,835,238	31,650,826
Notes, reserve .....	30,007,000	30,277,965	30,330,805
Reserves to liabilities .....	19½%	60½%	50%
Circulation .....	35,221,000	29,049,255	28,969,275
Public deposits .....	24,406,000	9,068,592	15,513,133
Other deposits .....	350,704,000	45,554,783	47,355,484
Gov. securities .....	25,747,000	12,453,405	13,307,055
Other securities .....	116,922,000	26,525,739	36,088,331
Discount rate .....	5%	4½%	4%

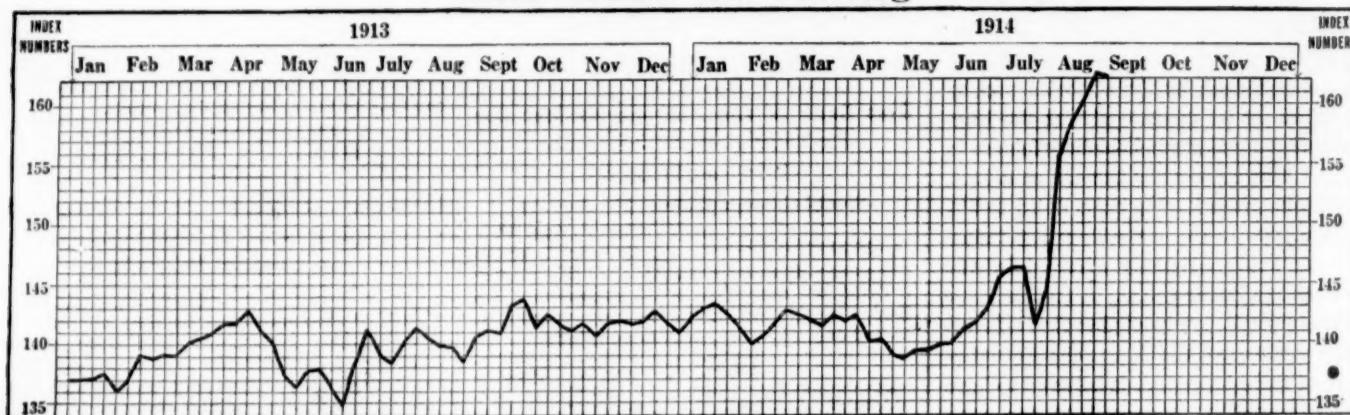
##### BANK OF GERMANY.

	Statement of Aug. 15.	ASSETS.	Change for the week.
		Marks.	Marks.
Bullion .....	1,580,221,000	-	5,397,000
Gold .....	1,508,528,000	+	30,970,000
Notes and Treasury bills .....	126,753,000	+	30,073,000
Notes of other banks .....	31,935,000	+	9,023,000
Bills, checks, and discounted .....			
Treasury bills .....	4,425,984,000	-	4,088,910,000
Loans .....	180,984,000	-	45,308,000
Stocks .....	200,621,000	+	6,383,000
Other securities .....	221,631,000	-	15,620,000

	LIABILITIES.
Capital .....	180,000,000
Reserves .....	74,473,000
Note circulation .....	3,881,931,000
Current accounts .....	2,551,754,000
Other liabilities .....	90,265,000

	Week ended Aug. 29.	1913.	1912.
Dutch Guilders.	Dutch Guilders.	Dutch Guilders.	Dutch Guilders.
Gold .....	162,146,426	148,327,422	142,921,238
Silver .....	2,298,394	8,806,547	9,347,324
Bills discounted .....	180,103,429	67,440,727	83,321,582
Advances .....	136,192,144	84,849,162	79,069,770
Circulation .....	444,233,395	305,541,115	295,465,240
Deposits .....	32,100,057	23,589,558	2,430,000
Discount rate .....	5%	5%	5%

## The Cost of Living



An index number is a means of showing fluctuations in the average price of a group of commodities. The A. Cost Index Number shows the fluctuations in the average wholesale price of twenty-five food commodities selected and arranged to represent a theoretical family's food budget.

## Barometrics

## THE ANNALIST INDEX NUMBER

	—Weekly Averages.—	Years' Averages.
Sept. 12.....	162.22	1913..... 139.98    1896..... 80.09
Sept. 5.....	162.46	1912..... 143.25    1890..... 109.25

## POTENTIALS OF PRODUCTIVITY

## The Metal Barometer

	—End of August.—	—End of July.—
	1914.      1913.	1914.      1913.
Daily pig iron capacity, tons	64,203      82,426	63,935      81,657
U. S. Steel's orders, tons...	4,213,313	5,223,468
Pig iron production, tons....	*1,995,261	*2,545,763

\*Month of August. †Eight months.

## Building Permits

	—August, 143 Cities.—	—July, 104 Cities.—
1914.      1913.	1914.      1913.	
\$62,062,204	\$64,619,339	\$64,912,541
		\$58,076,782

	Migration	—June.—	—Fiscal Year.—
		1914.      1913.	1913-14.      1912-13.
Inbound (alien only).....	71,728	176,261	1,218,480
Outbound (alien only).....	38,413	22,930	303,338
Balance .....	+33,315	+153,331	+915,142
			+889,702

## MEASURES OF BUSINESS ACTIVITY

## Bank Clearings

	Entire country, estimated. Percentages show changes from preceding year.
The past week. P. C.	The week before. P.C.
1914 ..... \$1,856,255,222 —37.9	\$2,334,805,051 —21.6
1913 ..... 2,991,035,816 — 5.2	2,978,057,891 + 5.6
1912 ..... 3,154,740,303 + 4.0	2,815,107,353 + 20.1

For the week ended Saturday noon. Reported by telegraph to The Annalist

Central Reserve cities:	Last Week.	Thirty-seven Weeks.	Year's Change.
New York .....	\$856,624,692	\$1,621,927,961	\$63,596,562,577 — 4.6
Chicago .....	232,611,780	304,521,725	11,437,358,526 + 1.1
St. Louis .....	60,696,747	78,416,742	2,829,337,482 + 1.0
Total 3 c.r. cities.....	\$1,149,903,219	\$2,006,866,428	\$77,823,258,585 + 3.7
Reserve cities:			
Baltimore .....	\$24,516,715	\$31,087,700	\$1,300,059,211 + 6.9
Boston .....	91,840,118	138,350,009	5,553,515,904 + 3.4
Cleveland .....	19,301,703	25,580,250	930,841,658 + 1.9
Cincinnati .....	20,209,800	24,275,172	916,115,318 + 1.5
Denver .....	7,910,059	8,703,538	311,220,630 + 6.5
Detroit .....	21,931,227	24,941,306	990,087,437 + 6.4
Kansas City, Mo	57,036,462	56,658,827	1,903,449,277 + 3.1
Los Angeles .....	17,179,902	22,256,309	510,904,104 + 2.7
Louisville .....	12,434,020	12,284,495	501,639,478 + 2.4
Minneapolis .....	20,183,480	30,608,082	860,307,960 + 4.1
New Orleans .....	14,094,334	18,086,426	600,155,465 + 0.6
Omaha .....	17,033,065	18,131,413	615,347,704 + 1.2
Philadelphia .....	109,702,894	142,125,883	5,741,809,787 + 5.0
Pittsburgh .....	41,800,180	52,904,563	1,902,716,772 + 8.9
St. Paul .....	8,902,856	9,875,117	383,571,133 + 0.8
San Francisco .....	38,058,239	48,980,546	1,732,045,546 + 1.9
Seattle .....	12,641,023	14,586,322	443,127,552 + 2.0
Tot. 17 res. cit. ....	\$544,475,746	\$640,043,804	\$25,643,024,996 + 2.8
Grand total.....	\$1,684,378,965	\$2,646,910,232	\$103,476,283,581 + 3.4

## Gross Railroad Earnings

	Fourth Week	Third Week	Second Week	Month of
This year .....	\$12,533,326	\$8,635,184	\$7,977,813	\$139,947,148
Same last year.....	13,450,626	9,104,793	8,317,428	144,413,440

Gain or loss..... —\$917,300 —\$469,609 —\$339,615 —\$4,466,292  
—6.8% —5.1% —4.1% —3.1%

\*29 roads. \*\*23 roads. †21 roads. ‡38 roads.

## The Car Supply

	Sept. 1, Aug. 15.	Nearest Report to Sept. 1.
Net surplus of all freight cars..	163,326 172,145	58,306 9,750 84,541
	60,022 106,677	221,214

## THE CREDIT POSITION

## New York Banking Position

	Loans.	Deposits.	Cash.	Reserve.
Last week .....	\$2,162,994,000	\$1,920,294,000	\$297,423,000	20.69%
Week before .....	2,136,964,000	1,902,388,000	391,004,000	20.56%
Same week, 1913.....	1,953,207,000	1,792,707,000	409,736,000	22.85%
This year's high.....	2,162,994,000	2,062,770,000	515,426,000	25.08%

on week ended..... Sept. 12      May 16      May 23      Jan. 24

This year's low..... 1,874,614,000      1,717,649,000      382,731,000      20.00%

on week ended..... Jan. 3      Jan. 3      Aug. 15      Aug. 15

## Specie Movement at the Port of New York

## Week Ended Sept. 12. —Thirty-seven Weeks.—

Imports.	Exports.	Imports.	Exports.
\$137,773	\$987,062	\$6,756,212	\$31,488,089
94,123	170,500	6,498,380	127,533,627

Total ..... \$231,896 \$1,157,562 \$13,254,592 \$159,021,716

## Cost of Money

## Last Week. Previous Week. Since Jan. 1. —Same Week.—

Call loans in New York. 6 @ 8 6 @ 8 10 1 1/2 3 @ 5 1/2 3 @ 5 1/2

Time loans in New York, (60-90 days) ..... 7 @ 10 7 @ 10 10 2 4 @ 4 1/2 5 1/2 @ 5 1/2

Commercial discounts:

New York ..... 6 @ 7 6 @ 7 7 3 1/2 5 % @ 6 5 1/2

Chicago ..... 7 1/2 @ 8 7 1/2 @ 8 8 5 6 1/2 6 @ 6 1/2

Philadelphia ..... 6 1/2 @ 7 6 1/2 @ 7 7 1/2 3 1/2 5 1/2 @ 6 5 1/2 @ 6

Boston ..... 7 @ 7 1/2 8 8 3 1/2 5 1/2 @ 6 1/2 5 1/2 @ 6

St. Louis ..... 6 @ 8 6 @ 8 8 4 1/2 6 6

Minneapolis ..... 7 @ 8 6 @ 7 8 6 6 @ 7 6

## Exchange

Sterling exchange, \$4.69 1/4 @ \$4.99 for demand and \$4.97 1/4 @ \$5 for cables.

Exchange on New York at domestic centres ruled thus:

Boston Chicago St. Louis San Francisco

Sept. 7..... Holiday.

Sept. 8..... par 30c discount 40c premium par

Sept. 9..... par 30c discount 25c premium par

Sept. 10..... par 20c discount par par

Sept. 11..... par 20c discount par par

Sept. 12..... par 20c discount par par

## The Week's Commercial Failures

## Week Ended Sept. 10, 1914. Sept. 11, 1913. Sept. 12, 1912.

To-Over To-Over To-Over

tal. \$5,000. tal. \$5,000. tal. \$5,000.

East ..... 100 40 125 53 73 28

South ..... 85 22 71 21 55 15

West ..... 64 23 54 20 77 28

Pacific ..... 39 9 28 12 31 8

United States ..... 288 94 278 106 236 79

Canada ..... 49 27 27 13 31 7

## Failures by Months

August. 1914. 1913. 1914. 1913.

Number ..... 1,272 1,145 11,226 10,477 10,645

Liabilities ..... \$43,468,116 \$20,848,916 \$248,944,994 \$174,083,882 \$140,263,849

## OUR FOREIGN TRADE

## July. 1914. 1913. 1914. 1913.

1914. \$154,082,225 \$160,990,778 \$1,200,925,440 \$1,327,273,137

Imports ..... 160,178,133 139,061,770 1,141,094,215 1,018,648,675

Excess of exports... \*\$6,095,908 \$21,929,008 \$59,831,225 \$308,624,462

\*Excess of imports.

## Exports and Imports at New York

## Exports. Imports.

1914. 1913. 1914. 1913.

## Latest Earnings of Important Railroads

Below are shown the earnings of important railroads according to the latest reports published. The net earnings are in some cases the figure resulting from the

deduction of expenses alone from gross receipts, in others it is the amount remaining after taxes have been paid and car settlements made with other railroads. As

each railroad reports its net in the same way from month to month, these figures, published currently, are the best guide for those interested.

### July Gross and Net Earnings

	July Compared With Same Month in 1913.			
	Gross. Amount.	Change. P. C.	Net. Amount.	
Alabama Great Southern.....	\$413,616	— \$22,035 — 5.0	\$85,415	+ \$4,592 + 5.6
Atchison, Topeka & Santa Fe.....	9,609,243	+ 466,257 + 5.1	2,871,471	+ 440,887 + 18.1
Atlantic Coast Line.....	2,538,139	+ 80,988 + 3.2	316,391	— 18,937 — 5.3
Baltimore & Ohio.....	8,146,688	— 873,933 — 9.6	2,272,021	— 367,819 — 13.0
Bangor and Aroostook.....	242,344	+ 27,870 + 12.9	49,245	+ 12,498 + 34.2
Boston & Maine.....	4,222,986	+ 117,622 + 2.7	3,380,841	+ 125,205 + 3.8
Buffalo, Rochester & Pittsburgh.....	881,454	— 193,337 — 17.9	229,475	— 78,657 — 25.5
Canadian Northern.....	1,594,300	— 334,500 — 17.3	430,500	— 83,800 — 16.2
Canadian Pacific.....	10,481,972	— 1,501,090 — 12.5	3,778,446	— 338,347 — 8.2
Central of Georgia.....	1,166,371	+ 153,701 + 14.7	310,324	+ 141,025 + 83.7
Chesapeake & Ohio.....	3,264,098	+ 340,313 + 11.6	935,019	+ 57,898 + 6.6
Chicago & Alton.....	1,279,437	— 57,618 — 4.3	294,916	— 15,062 — 4.8
Chicago, Burlington & Quincy.....	7,861,573	+ 38,512 + 0.4	2,419,190	+ 132,295 + 5.7
Chicago Great Western.....	1,082,558	— 121,461 — 10.0	213,140	— 108,855 — 33.8
Chicago, Milwaukee & St. Paul.....	7,824,986	— 95,848 — 1.2	2,383,898	+ 153,629 + 6.8
Chicago & Northwestern.....	7,310,085	— 113,086 — 1.5	2,238,020	+ 240,783 + 12.0
Chicago, Rock Island & Pacific.....	5,801,510	+ 198,655 + 3.5	970,385	+ 90,466 + 10.2
Chicago, St. Paul, Minneapolis & Omaha.....	1,580,989	+ 111,210 + 7.5	224,443	+ 92,147 + 69.6
Cin., New Orleans & Texas Pacific.....	831,499	+ 4,399 + 0.5	190,022	— 27,599 — 12.6
Colorado Southern.....	1,124,495	— 79,861 — 6.6	184,114	— 84,214 — 31.4
Denver & Rio Grande.....	2,003,629	— 96,674 — 4.6	436,664	+ 53,985 + 14.1
Detroit & Mackinac.....	103,658	— 7,645 — 6.8	24,292	— 4,465 — 15.5
Duluth, Missabe & Northern.....	856,170	— 423,776 — 33.1	527,160	— 318,654 — 37.6
Duluth, South Shore & Atlantic.....	293,357	— 27,492 — 8.5	61,454	— 12,285 — 16.6
Erie.....	5,419,581	— 118,642 — 2.1	1,257,933	— 186,509 — 12.9
Georgia Southern & Florida.....	217,252	+ 14,145 + 6.9	35,972	+ 14,773 + 69.6
Great Northern.....	6,840,446	— 854,365 — 11.1	2,896,028	— 238,612 — 7.6
Hocking Valley.....	451,414	— 252,601 — 35.8	108,486	— 136,206 — 55.6
Illinois Central.....	5,396,122	+ 38,214 + 0.7	706,341	— 62,139 — 8.0
Lehigh Valley.....	3,582,081	+ 134,380 + 3.8	918,097	— 91,092 — 9.2
Louisville & Nashville.....	4,803,642	— 141,398 — 2.8	1,070,336	+ 126,370 + 13.3
Maine Central.....	1,014,868	+ 16,085 + 1.6	243,454	+ 42,209 + 20.9
Minneapolis, St. Paul & Sault Ste. Marie.....	1,586,323	+ 160,279 + 9.1	467,135	— 11,619 — 2.4
Chicago Division.....	899,178	+ 47,740 + 5.0	262,195	— 15,812 — 5.7
Missouri, Kansas & Texas.....	2,693,820	+ 37,810 + 1.4	750,219	+ 17,814 + 2.4
Missouri Pacific.....	5,252,971	+ 99,597 + 1.9	1,408,896	+ 135,694 + 10.6
Mobile & Ohio.....	1,098,606	+ 39,463 + 3.7	227,501	— 7,336 — 3.1
Nashville, Chattanooga & St. Louis.....	1,071,780	+ 44,582 + 4.3	233,886	+ 74,581 + 4.7
New York Central.....	8,073,280	— 858,736 — 9.5	1,819,170	+ 242,889 + 15.4
New York Central Lines.....	23,881,843	— 234,585 — 8.8	5,711,548	+ 592,510 + 11.5
New York, Ontario & Western.....	992,561	— 15,736 — 1.5	361,866	+ 4,302 + 1.2
New York, Susquehanna & Western.....	289,632	— 1,635 — 0.5	62,778	— 1,602 — 2.4
Norfolk & Western.....	3,743,588	— 114,949 — 2.9	1,088,166	— 72,395 — 6.2
Northern Pacific.....	5,792,062	— 480,910 — 7.6	1,645,746	— 136,410 — 7.6
Pennsylvania Railroad.....	16,068,588	+ 130,808 + 0.8	3,560,883	— 344,476 — 9.6
Pennsylvania System.....	32,057,719	— 3,044,770 — 8.6	7,894,729	— 373,617 — 4.5
Philadelphia & Reading.....	3,821,799	— 389,607 — 9.2	1,127,601	— 212,691 — 15.1
St. Louis, Iron Mountain & Southern.....	2,735,067	+ 55,906 + 2.0	777,069	+ 18,579 + 2.4
St. Louis Southwestern.....	926,342	— 111,204 — 10.7	157,315	— 18,054 — 10.2
Seaboard Air Line.....	1,833,170	+ 14,824 + 0.8	434,238	+ 7,542 + 1.7
Southern Pacific.....	11,632,910	— 128,092 — 1.8	2,381,573	— 135,495 — 3.9
Southern Railway.....	5,705,119	+ 191,906 + 3.4	1,169,472	— 55,817 — 4.5
Toledo, St. Louis & Western.....	402,559	— 1,425 — 0.3	126,432	— 12,953 — 9.2
Union Pacific.....	7,559,237	— 263,372 — 3.3	3,067,904	— 44,184 — 1.4
Western Maryland.....	712,429	— 28,229 — 3.8	190,926	+ 19,968 + 11.6
Wheeling & Lake Erie.....	531,094	— 246,832 — 31.7	143,302	— 32,565 — 18.5
Yazoo & Mississippi Valley.....	353,191	+ 45,362 + 14.7	80,886	+ 42,225 + 109.2

### Dividends Declared and Awaiting Payment

STEAM RAILROADS.	Pe- riod.	Pay- able.	Books Close.	Company	Rate.	Pe- riod.	Pay- able.	Books Close.	Company	Rate.	Pe- riod.	Pay- able.	Books Close.		
Bos. & Albany. <sup>2</sup>	Q. Sep. 30	*Aug. 31	Books Close.	Union Pac. pf. <sup>2</sup>	2	S Oct. 1	*Sep. 1	Books Close.	Do 2d pf. <sup>1</sup>	3	Q Oct. 1	Sep. 15	Books Close.		
Can. Pacific. <sup>2</sup>	Q. Oct. 1	Aug. 21	Warren R. H. <sup>3/4</sup>	Q. Oct. 15	Q. Oct. 6	U. T. & E. Prot. <sup>1/4</sup>	Q. Oct. 1	Q. Oct. 1	Am. S. R. R. <sup>1/2</sup>	1	Q Oct. 1	Sep. 15	Aug. 28		
Chi. B. & Q. <sup>2</sup>	Q. Sep. 25	*Sep. 19	Ark. Val. R. L.	Q. Sep. 15	*Aug. 27	A. B. & E. Prot. <sup>1/4</sup>	Q. Oct. 1	Q. Oct. 1	Am. S. R. R. <sup>1/2</sup>	1	Q Oct. 1	Sep. 14	Aug. 24		
C. & N. W. <sup>2</sup>	Q. Oct. 1	*Sep. 1	A. P. pf. <sup>1/2</sup>	13/4	Q. Sep. 15	Aug. 31	W. B. & A. pf. <sup>1/2</sup>	Q. Sep. 30	*Sep. 19	Am. S. R. R. <sup>1/2</sup>	1	Q Oct. 1	Sep. 18	Aug. 24	
Do. & Hudson. <sup>2</sup>	Q. Sep. 21	*Aug. 28	Ash. P. & L. pf. <sup>1/2</sup>	1	Q. Sep. 15	*Sep. 19	West End St.	Boston	....\$1.75	—	Oct. 1	Sep. 21	Am. Snuff		
E. J. & G. <sup>2</sup>	Q. Sep. 15	*Sep. 10	B. & Plym. pf. <sup>3/4</sup>	1	Q. Sep. 15	*Sep. 5	C. & Iron Nat. <sup>1/4</sup>	Q. Oct. 1	Q. Oct. 1	Am. Snuff	....*	Oct. 1	*Sep. 12	Am. Snuff	
Int. Rap. Tr. <sup>1/2</sup>	Q. Oct. 1	Sep. 14	Brook. R. T. <sup>1/2</sup>	1	Q. Sep. 15	*Sep. 3	Am. Sugar Ref. <sup>1/4</sup>	Q. Oct. 1	Q. Oct. 1	Am. St. Fds.	....1/2	Q. Oct. 1	*Sep. 12	Am. St. Fds.	
Kan. C. So. pf. <sup>1/2</sup>	Q. Oct. 15	*Sep. 30	Calif. R. & P. <sup>1/2</sup>	1	Q. Sep. 12	*Sep. 12	Guaranty....6	Q. Sep. 30	Sep. 23	Am. Sugar Ref. <sup>1/4</sup>	Q. Oct. 1	Q. Sep. 12	Am. Sugar Ref.		
Lack. of N. J. <sup>1/2</sup>	Q. Oct. 15	*Sep. 30	Calif. R. & L. <sup>1/2</sup>	1	Q. Sep. 19	*Sep. 19	T. L. I. & T. <sup>1/2</sup>	Q. Oct. 1	Sep. 15	Am. Surety	....2/3	Q. Oct. 1	Q. Sep. 1	Am. Surety	
Manhattan Ry. <sup>1/2</sup>	Q. Oct. 1	*Sep. 15	Chi. City Ry. <sup>1/2</sup>	1	Q. Sep. 29	*Sep. 19	Mut. Alliance. <sup>1/2</sup>	Q. Oct. 1	Sep. 30	Am. Tobacco	....1/2	Q. Oct. 1	*Sep. 15	Am. Tobacco	
M. St. P. & S. S.	com. & pf. <sup>3/4</sup>	S Oct. 15	Do Sup. Trac. <sup>1/2</sup>	1	Q. Oct. 1	*Sep. 15	Associated Oil. <sup>1/2</sup>	Q. Oct. 1	Sep. 18	Am. Woolen	....1/2	Q. Oct. 1	*Sep. 18	Am. Woolen	
New & Bloem. <sup>3</sup>	— Oct. 1	*Sep. 22	E. P. & L. pf. <sup>1/2</sup>	1	Q. Sep. 15	*Aug. 31	Bell Tel. of Can. <sup>2</sup>	Q. Oct. 1	Sep. 15	Borneo Stry. Co. <sup>2/3</sup>	A. Oct. 1	Q. Oct. 1	*Sep. 1	Bell Tel. of Can.	
N.Y. C. Central. <sup>1/2</sup>	Q. Oct. 15	*Sep. 21	El Paso Elec. <sup>2/3</sup>	1	Q. Sep. 15	*Sep. 5	Booth F. Ist pf. <sup>1/2</sup>	Q. Oct. 1	Sep. 15	Beth. Steel pf. <sup>1/2</sup>	Q. Oct. 1	Q. Oct. 1	*Sep. 15	Beth. Steel	
N.Y. C. & Harlem. <sup>2</sup>	— Oct. 2	S Oct. 15	Elmisra W. & L.	1st pf.	13/4	Q. Oct. 1	Sep. 15	Bord. C. M. pf. <sup>1/2</sup>	Q. Oct. 1	Sep. 15	Booth F. Ist pf. <sup>1/2</sup>	Q. Oct. 1	Q. Oct. 1	*Sep. 15	Booth F. Ist pf.
N.Y. L. & W. <sup>2</sup>	Q. Oct. 1	*Sep. 15	F. & S. Phil. <sup>1/2</sup>	1	Q. Oct. 1	*Sep. 15	Am. Can pf. <sup>1/2</sup>	Q. Oct. 1	Sep. 15	Bord. C. M. pf. <sup>1/2</sup>	Q. Oct. 1	Q. Oct. 1	*Sep. 15	Am. Can pf.	
Norfolk & W. <sup>2</sup>	Q. Sept. 19	*Aug. 31	Gal. Ho. Is. El. <sup>3/2</sup>	1	Q. Sep. 15	*Sep. 5	Am. C. & F. Edy. <sup>1/2</sup>	Q. Oct. 1	Sep. 15	Am. Coal Prod. <sup>1/2</sup>	Q. Oct. 1	Q. Oct. 1	*Sep. 15	Am. C. & F. Edy.	
P. B. & L. E. <sup>2</sup>	— Oct. 1	Sep. 15	G. H. Hous. El. <sup>3/2</sup>	1	Q. Sep. 15	*Sep. 5	Do pf. <sup>1/2</sup>	Q. Oct. 1	Sep. 15	Am. Coal Prod. <sup>1/2</sup>	Q. Oct. 1	Q. Oct. 1	*Sep. 15	Am. Coal Prod.	
P. Ft. W. & C. <sup>2</sup>	— Oct. 1	Sep. 15	Hon. R. T. & L. 2	1	Q. Sep. 30	Sep. 26	Am. Cigar pf. <sup>1/2</sup>	Q. Oct. 1	Sep. 15	Am. Gen. Elec. <sup>1/2</sup>	Q. Oct. 1	Q. Oct. 1	*Sep. 15	Am. Cigar pf.	
P. Do. gtd. <sup>1/2</sup>	Q. Oct. 6	Sep. 12	I. Sh. E. 1st pf. <sup>1/2</sup>	1	Q. Oct. 1	*Sep. 19	Am. Do. pf. <sup>1/2</sup>	Q. Oct. 1	Sep. 15	Am. Gen. Elec. <sup>1/2</sup>	Q. Oct. 1	Q. Oct. 1	*Sep. 15	Am. Do. pf.	
St.J., S. B. & S. I. <sup>2</sup>	— Sep. 15	Sep. 10	Louisv. Trac. <sup>1/2</sup>	1	Q. Oct. 1	*Sep. 12	Am. Do. pf. <sup>1/2</sup>	Q. Oct							

## Utilities

### Misleading Reports of Municipal Utilities

**Discussion of the Subject by One Who Says That Public Ownership Is Maintained and Promoted by Deceit**

WHETHER or not it be municipally owned, the capital invested in a public utility must receive its profit, just as capital employed in any other enterprise. In the case of municipal ownership, the utility plant is often mortgaged for all or more than it is worth, and the return paid on the bonds represents capital's profit, even though in such cases it is called interest. To that extent, then, the bondholders are the real owners of any utility and the term municipal ownership is a misnomer. In discussing this subject before the Ohio Electric Light Association, H. J. Gonden recently stated that under these circumstances so-called municipal ownership is virtually individual or private ownership under political control and management. The real owners—the bondholders—are quite willing to submit to political control and management, because their capital investment and interest or profit, generally at the reasonable rate of 5 per cent., will be returned from the general tax revenues of the municipality if not from the operating revenues of the utility. That is why capital can be secured more readily and at a lower rate of interest or profit for a so-called municipally owned utility than for the privately owned utility. In other words, investors in a municipal plant are not required to depend upon efficiency in management for the security of their principal and interest; they have as additional security the taxing power of the municipality.

#### REAL PUBLIC OWNERSHIP

Real public ownership of utility plants, in the opinion of Mr. Gonden, is best exemplified by our so-called privately owned properties:

There are very few utility plants in this country owned by one, two, or even a half-dozen individuals. Most of our utility companies have numerous stock and bondholders; their securities are on the market and may be acquired by any individual who desires to invest. Investors in so-called privately owned utilities have no taxing powers of a municipality to secure their principal and interest, and they must necessarily depend upon efficiency and economy in management. Their timidity and their demand for a slightly higher rate of return than is paid on municipal bonds would disappear if it were not for the fact that the fruits of efficiency and economy in management, upon which they must depend for security, are always subject to serious impairment or absolute destruction through unjust political interference.

Hundreds of thousands of men and women in moderate circumstances have invested part of their savings in the stocks and bonds of the so-called privately owned utility companies in this country. This class of investors is composed largely of farmers, merchants, manufacturers, lawyers, doctors, preachers—the public in general. This makes real public ownership. We might correctly call it public ownership subject to political destruction.

#### CHARGES OMITTED

Because life and property are safeguarded in a large measure by an adequate supply of pure water the public is not inclined to tolerate political interference in that

branch of public service, and therefore municipal ownership of water plants ought to make a good showing. Mr. Gonden said that because of this lively interest in waterworks systems there are a number which have not been seriously impaired by political inefficiency and extravagance, but it is not nearly so large as it should be or as it is generally believed to be. While most of our municipal water plants give good service, very few of them are operated economically, and when all facts are examined most of them show a heavy drain upon tax revenues. The Chicago waterworks are frequently cited as a good example of successful municipal ownership. The rate there is only 7 cents per 1,000 gallons of water, but Mr. Gonden states that facts gleaned from official reports show that in the aggregate the amounts which consumers pay in addition to their water rates are considerably in excess of the aggregate amount of the rate itself:

The municipal ownership advocates and the official reports of the water department have nothing whatever to say about \$70,000,000 having been spent for the Drainage Canal to purify the water supply, not one dollar of which has been charged against the Water Department. Not a word about the \$1,250,000 a year for the administration and maintenance of the Drainage Canal. Not a syllable about the fact that property owners pay about \$1,500,000 more in fire insurance premiums annually than they would pay if Chicago had an adequate water service. No breath about the fact that on account of the low pressure thousands of property owners must install and operate their own pumps at their own expense.

#### INEFFICIENT OPERATION

Statistics are cited to show that the average rate of pay to employees in privately owned plants in Chicago is 26 cents an hour; in the municipal plants, 42 cents an hour. One oiler in a private plant takes care of two and one-half times as much machinery as does one oiler in the municipal plants. The output of horse power per dollar of wages in the private plants is nearly three times that of the municipal plants. In a report on these conditions the Commission on City Expenditure recently said: "The commission is of the opinion that the wasteful and inefficient operation of the waterworks plant for a long series of years has imposed a very heavy burden on the consumers and has resulted in a type of service far below what might have been rendered."

In addition to this example, Mr. Gonden states that during the months of May and June members of the staff of the Public Service Magazine, with which he is connected, personally investigated eighteen municipal utility plants in Ohio, and that the investigation disclosed two very significant facts:

First—All of the reports made by the public officials in charge of these eighteen plants were deficient and misleading in that they failed to show all of the actual expenses of the properties.

Second—in every case where the officially omitted items of expense were ascertained and added to the officially reported expenses the plant showed a heavy annual loss to the taxpaying rate.

From these and other similar facts Mr. Gonden concludes that municipal ownership of utilities is maintained and promoted by deceiving the public. Very few city officials are willing to admit economic failure of a utility plant under their management. Nearly all of them are anxious to show that the departments are successfully and economically operated, and this has led to misrepresentation in official reports, in that such items as depreciation, proper charges for sinking funds, damages, lost taxes, administration salaries and legal services are often omitted from them.

## PUBLIC UTILITY NEWS

### Boston Consolidated Gas Company

Report for the year ended June 30, last, compares as follows:

	1914.	1913.	1912.
Gross	\$4,987,500	\$4,733,110	\$4,339,829
Net	1,892,278	1,530,043	1,432,861
Other income	22,507	14,529	9,978
Total	1,914,785	1,544,572	1,442,839
Interest	151,727	121,290	96,292
Balance	1,263,058	1,423,282	1,346,547
Dividends	*1,209,968	1,361,214	1,361,214
Surplus	53,090	62,908	114,667

\*Eight per cent. in 1914. 9 per cent. in three previous years. †Deficit.

### Bylesby Properties

H. M. Bylesby & Co. report the following combined earnings of the utility properties under their management for July, 1914:

	1914.	1913.	Increase.
Gross earnings	\$1,062,552	\$1,039,555	\$22,996
Net after taxes	470,634	445,735	24,899

### Chicago Railways

Combined personal property assessment of the Chicago Railways Company and the Chicago City Railway Company amounts to \$43,282,648. The following are the schedules filed by the two companies, the valuations made by the Board of Assessors, and the final figures determined on by the Board of Review. Chicago Railways Company—Scheduled by company \$21,759,350; Board of Assessors' valuation, \$27,029,128; Board of Review valuation, \$24,599,298. Chicago City Railway Company—Scheduled by company, \$18,683,376; Board of Assessors' valuation, \$19,933,270; Board of Review valuation, \$18,683,350.

### Commonwealth Power, Railway and Light Company

	1914.	1913.	Increase.
July gross	\$1,201,983	\$1,156,553	\$45,430
Net	517,399	472,128	45,271
Surplus after charges	138,587	150,443	8,144
Twelve months gross	14,616,878	13,744,593	\$72,285
Net	6,271,294	5,856,713	414,581
Surplus after charges	2,215,479	2,130,109	85,370
Balance after pref. div.	1,253,479	1,168,109	85,370

### Detroit Edison

	1914.	1913.	Increase.
August gross	\$459,530	\$406,377	\$53,293
Net	163,366	137,904	30,462
8 months' gross	4,080,516	3,506,792	573,724
Net	1,692,732	1,443,233	249,499
Surplus after charges	1,131,750	989,276	142,474

### Idaho-Oregon Light and Power Company

In a circular addressed to holders of the first and refunding bonds of the Idaho-Oregon Light and Power Company, now in the hands of receivers, G. S. Spear states that a telegram has been received from Boise, Idaho, to the effect that the courts have held that \$718,000 of the bonds were not legally issued, thus reducing the amount of first mortgage bonds from \$3,319,000 to \$2,494,000, or an approximate reduction of 25 per cent. It is also stated that the decision sets aside the exchange of second mortgage bonds for first mortgage bonds, but holds that the Idaho-Oregon Company is only entitled to protection against loss, and not to any profit by matters set aside; that it should restore what it has received and also that an accounting must be had as between the Idaho-Oregon Light and Power and Idaho Railway, Light and Power.

### Interboro Rapid Transit Company

The company's income account for year ended June 30, last, compares as follows:

	1914.	1913.	1912.
Gross oper. revenue	\$33,515,396	\$32,497,871	\$31,246,362
Operating expenses	12,902,053	13,260,743	13,047,802
Net operating revenue	20,613,342	19,237,127	18,198,590
Taxes	2,081,948	2,116,886	1,979,431
Operating income	18,531,394	17,120,247	16,219,159
Other income	612,852	487,490	436,200
Total income	19,144,246	17,607,737	17,524,360
Interest	11,119,666	11,070,668	11,000,593
Net cor. income	*8,024,580	6,537,063	6,525,766
Dividends	5,250,000	4,200,000	5,250,000
Passengers carried	2,774,580	2,337,068	1,273,766

\*Equal to 22.92 per cent. on \$35,000,000 capital stock, as compared with 18.67 earned on same stock previous year. †Rent, &c., including Manhattan Railway guarantee. ‡Includes first dividend 15 per cent. (\$900,000), on stock of Rapid Transit Subway Construction Company.

### Keystone Telephone Company

The company reports for August and eight months:

	1914.	Increase.
August gross	\$112,546	\$7,279
Net earnings	58,958	6,882

## Sanderson & Porter

### ENGINEERS

San Francisco, NEW YORK,  
Nevada Bank Bldg. 52 WILLIAM ST. Victoria, B. C.  
Consult us concerning preparation of plans. Drake Block.

**BANKERS BUILDING BUREAU, INC.**  
BANK BUILDING AND EQUIPMENT  
106 East 19th St., New York  
Consult us concerning preparation of plans.

Eight months' gross.....	850,262	43,150
Net earnings .....	446,810	34,195
Net surplus .....	238,957	29,124

Milwaukee Electric Railway and Light Company The company reports for the year ended June 30:	1914.	1913.
Operating revenue .....	\$6,075,247	\$6,016,913
Net revenue .....	1,817,016	1,810,482
Surplus .....	1,069,134	1,121,337

Muskogee Gas and Electric Company Report for year ended July 31, shows:	1914.	1913.	Increase.
Gross earnings .....	\$312,977	\$519,820	*\$6,842
Net after taxes.....	216,942	210,965	5,947
Balance after charges and preferred dividends .....	51,029	47,494	3,534
*Decrease.			

**Seven Cities Company**

This company, organized last January to purchase public utility properties at Russellville, Dardanelle, Morrilton, Cabin Creek, Dover, Springdale, Fayetteville, Rogers, and Benton, Ark., has been placed in the hands of the Southern Trust Company of Little Rock, as temporary receiver. Final hearing on the application for a receivership will be in November, when a permanent receiver will be appointed. The company was organized by St. Louis men, and had an authorized capitalization of \$250,000 stock and \$250,000 bonds. In addition there are bonds of \$120,000 outstanding on the property of the Russellville Water and Light Company, the Guaranty Trust Company of New York being trustee.

**Southern California Edison Company**

The company has asked the California Railroad Commission to dismiss the application, filed some time ago, for permission to sell \$3,000,000 of common stock.

**United Light and Railways Company**

Commenting on the deferring of the common dividend, President Hulswit said last week: "We have earned sufficient to pay it and we have the cash, but prefer to take the conservative course now and cannot say when next common dividend will be declared."

**United Railroads of San Francisco**

Reports for year ended June 30, 1914:	
Gross operating revenue.....	\$8,506,725
Net operating revenue.....	3,280,188
Net income .....	899,305
Surplus .....	294,103

## News Digest

**FORECAST AND COMMENT****John Moody**

The present week has developed a more hopeful outlook in the general situation. It is clearly apparent that distinct progress is being made toward more normal conditions, so far as financial matters are concerned.

\* \* \*

**Mechanics-American National Bank of St. Louis**

The general business situation appears to be improving daily, and all business lines are adjusting themselves to present conditions. In St. Louis business is normal. Banks are taking care of their customers and meeting legitimate requests for loans.

\* \* \*

**Dun's Review**

The basic situation is strengthening and the current improvement should be accentuated by the consummation of the various important measures now under consideration.

\* \* \*

**Bradstreet's**

Except at a few Western centres, the trend of things the country over is tempered by conservatism, with positive dullness prevailing in the South.

\* \* \*

**John V. Farwell Company, Chicago**

Positive scarcity of desirable dress fabrics, especially wool dress goods and silks, is now being felt. Merchants generally, feeling that markets are at lowest level, appreciating scarcity of dye material and uncertainty of what can be furnished later, are freely supplying their present needs from stocks on hand. Consequently wool dress goods and silks have shown phenomenal increase in sales. This condition also applies to toys, dolls, and other lines of imported novelties.

\* \* \*

**Marshall Field & Co.**

Distribution of dry goods at wholesale continues heavy, cooler weather stimulating retail

sales and merchants holding the Fall opening to be very successful.

\* \* \*

**Iron Age**

The falling off in new business at home has been more marked in September, and export trade does not develop fast enough to make up the loss. Sentiment is not as hopeful as it was ten days ago. There is more tendency to the view that a quiet market is to be looked for during the remainder of the year.

\* \* \*

**Iron Trade Review**

Additional inquiries for shipment to countries dependent upon the industries of belligerent nations for supplies of iron and steel products continue to come out in rather heavy volume, but are not developing rapidly into actual sales. Except for the export tonnage booked by the United States Steel Corporation, orders for shipment to foreign countries have not been important. The tightness of the financial market has caused a decidedly quiet domestic market, and no change in the situation is expected until the war cloud clears.

\* \* \*

**Continental & Commercial National Bank, Chicago**

The best evidences of the resourcefulness and courage of the American people and the best indication of the strength of our financial institutions seem to lie in the fact that, suddenly plunged into chaos, they were able to quickly bring about some measure of order, to evolve methods of carrying on our domestic business, and to provide a means for international credit without seriously impairing our gold reserves.

\* \* \*

**R. S. Lovett**

Railroads in the West will enjoy good tonnage from the crops and their revenues are assured, but with the slowing down in mercantile lines and the falling off in passenger traffic this gain from crop tonnage is being offset. I fear this will continue to be the case for some time. Beet sugar interests and wool growers still feel they suffered serious injury by the tariff revision. It is not expected that this will mean serious curtailment of production at once, although that may follow.

\* \* \*

**J. S. Aistrop (President of the Illinois Bankers' Association)**

In the matter of emergency currency I am a conservative. My motto is abundant money for legitimate business, but no money for speculation. Utilizing the privileges of the Aldrich-Vreeland law may be highly beneficial or deeply dangerous—according to how they are utilized. Above all things, I wish to emphasize that I am an optimist, and was never more so than now, when America has the opportunity which rarely comes to a nation.

## GENERAL

**The War**

At the beginning of the week the French War Office announced that the fighting near Paris had been to the advantage of the allied armies and that their position was good. An official statement from London placed casualties to date at 15,000. Russia officially reported the surrender of an Austrian regiment. The Russian advance on Lemberg was reported to have been checked, though Vienna had admitted the fall of that city. The British cruiser Pathfinder was blown up in the North Sea by a German mine. It was officially announced by the British Press Bureau that the German army had been checked and was being driven back from Paris in a northeasterly direction. Several victories for the Allies were reported. The Russian General Staff announced that the Russian troops were closing in around Przemysl, fifty miles west of Lemberg. Germans overwhelmed a Belgian force at Melle and advanced towards Ghent. Belgians announced the repulse of a German advance on Antwerp. Germany warned China that she will be held responsible for permitting the Japanese and British forces to cross Chinese territory. Official British and French statements on Wednesday agreed that the German right flank had been driven back with heavy losses and that the German left wing near Lunéville had also been repulsed. Germans announced that Austrians had repulsed a fierce Russian attack and had captured some prisoners. The French War Office announced on Thursday that the British forces had crossed the Marne and the Germans had retreated fully 25 miles at that point. Russia reported that Austro-German troops had been forced out of their fortified position in Lublin. The White Star liner Oceanic, converted into a British armed cruiser, was lost off the coast of Scotland. The French War Office announced on Friday that the left flank of the allied armies had advanced more than thirty-six miles in four days of fighting and had

captured a number of German prisoners and guns. The British and French armies crossed the Marne and were pursuing the retreating German forces. Belgian army resumed the offensive against the Germans and was reported to have driven them back at several points. Vienna admitted the loss of 120,000 men in the recent fighting in Galicia. Servian troops were reported to have crossed the River Save and to have successfully invaded Hungary. On Friday the Allies officially reported a general retirement of the German forces in France, hotly pursued by the British, who captured 1,500 prisoners and several guns. Germany reported, through the Embassy at Washington, that they had held their own in the last two days' fighting and had captured fifty guns and several thousand prisoners, and that the Austrians had again taken the offensive in the region of Lemberg. In East Prussia, according to Berlin, the Russians were outflanked and their left wing driven back. Petrograd announced the occupation of Suczawa and Rzeka in Austria. Servian forces occupied the town of Semlin. Joined with the Montenegrins, they were advancing toward the Bosnian capital, Serajevo. At the close of the week the British and French official reports stated that after six days' fighting the whole front of the German army as far east as Verdun and Nancy was in retreat, abandoning guns and stores in large quantities. British report capture of 6,000 prisoners and fifteen guns, and French the capture of 160 guns. A news dispatch from Antwerp reports the defeat by the Belgians of a German force at Cortenberg. Belgians claim that the German army in Belgium has been cut in two. The Russians defeated the Austrians in another great battle in Galicia, according to dispatches from Petrograd. The Austrian loss is placed at 130,000 men in killed, wounded and prisoners. Russia also reports that the German advance in East Prussia has been checked.

\* \* \*

**Financial Chronology**

Monday, Sept. 7

**Holiday**

Tuesday, Sept. 8

Sharp reaction in wheat, the September option closing 5 1/4 c a bushel lower in New York and 5 1/2 c lower in Chicago, at \$1.24 1/4 and \$1.14, respectively. Government crop report indicates a Spring wheat crop of 221,000,000 bushels and a total crop of 896,000,000 bushels. According to the Government report, the cotton of the growth of 1914 ginned to Sept. 1 amounted to 475,455 bales, compared with 799,099 bales ginned to Sept. 1 last year, 730,884 in 1912, and 771,297 in 1911. Court refuses minority stockholders of the Lake Shore a preliminary injunction against the proposed consolidation of the Lake Shore and the New York Central pending the trial of the suit for a permanent injunction. Chino Copper Company reduces its quarterly dividend from 75c to 50c a share. Ray Consolidated Copper, Nevada Consolidated Copper, and Lanston Monotype Companies defer dividends. Demand sterling eases to \$4.96 1/2, but recovers to \$4.97 1/2. Gold amounting to \$1,000,000 shipped to Canada.

Wednesday, Sept. 9

Chicago wheat market closed. Governing Committee of the Stock Exchange resumes sessions, but only routine business is discussed. Committee of railroad Presidents confers with President Wilson on the present needs of the railways. Money, 6@8 per cent. Demand sterling, \$4.98 and cables \$4.99.

Thursday, Sept. 10

Wheat market unsettled, opening 1@1 1/4 c lower, rallying 2 1/2 c to 4 1/4 c, and closing with net losses of 2c to 2 1/2 c. United States Steel Corporation un-filled tonnage on its books on Aug. 31 totaled 4,213,331 tons, compared with 4,158,589 tons on July 31, 4,032,857 tons on June 30, and 3,998,260 tons on May 31. Decrease of 9,016, to 165,214, in the number of idle freight cars on the railways of the United States and Canada on Sept. 1, compared with Aug. 15. Committee of seven chosen to act for the investment bankers of New York during the suspension of business on the Stock Exchange approves the resumption of sales of bonds for cash by bond dealers to their private customers. Bank of England issues favorable weekly statement, discount rate remaining at 5 per cent. Money, 6@8 per cent. Demand sterling, \$4.98% and cables \$4.99%.

Friday, Sept. 11

Wheat market irregular, closing 3/4 c lower after an early decline of 1 1/2 @ 2 1/2 c and a subsequent recovery of 2 1/2 @ 2 1/2 c. Board of Estimate of the City of New York authorizes the arrangement

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for the borrowing of the \$100,000,000 from the banking syndicate. Southern Railway Directors postpone for a month action on the preferred stock dividend owing to present conditions. Money, 6@8 per cent. Demand sterling, \$4.99.

Saturday, Sept. 12

Federal Reserve Board to await further developments in the financial situation before further considering plan to create the \$150,000,000 gold fund to meet the country's foreign debts. Bank statement shows a decrease in the deficit of \$2,064,300.

#### Aldrich-Vreeland Act Broadened

The Senate on Friday passed a bill authorizing member banks of the Federal reserve system to issue emergency notes against commercial paper up to 75 pr cent. of their unimpaired capital and surplus.

#### Postal Savings Bill Vetoed

President Wilson last week vetoed the bill recently passed amending the Postal Savings act so as to permit larger deposits.

#### Check Drawing of Gold from Sub-Treasury

Albert H. Wiggin, Chairman of the Clearing House Committee, has sent a circular letter to member banks, requesting them to collect all items drawn on the Treasury Department through the Clearing House in order to check the practice of New York banks of presenting drafts on the Treasury direct at the local Sub-Treasury, thus drawing gold.

#### Copper Purchase Bill

Senator Ashurst of Arizona last week introduced a bill proposing the purchase by the Government of 15,000,000 pounds of copper to offset partially the effects of the European war on the copper market.

#### Butte Strike

All producing companies in the Butte district announced last week that they would refuse recognition to the unions. Wages and hours of labor prevailing when the unions were recognized will be maintained.

#### British Trade in August

Report of the Board of Trade of the United Kingdom for August shows large decreases in both imports and exports. Following is a comparison of trade for August and the eight months ended Aug. 31:

	1914.	1913.
Imports .....	\$42,382,000	655,975,704
Exports .....	24,211,000	44,110,729
Excess of imports.....	£18,151,000	£11,864,975
From Jan. 1 to Aug. 31:		
Imports .....	477,656,201	468,174,976
Exports .....	323,072,635	311,410,134
Excess of imports.....	£154,583,566	£156,764,842
Imports of coal decreased £2,000,000 in the month and of manufactured articles £15,000,000.		

#### President Wilson Proposes Truce in Colorado

Last Monday President Wilson sent to the miners and operators in Colorado a tentative plan for the adjustment of the strike. It proposes a three-year truce between the contending factions, subject to certain proposals worked out by the Federal Commissioners of Conciliation.

#### War Tax Bill

It is expected that the Underwood War Revenue Tax bill will be reported to the House this week. The bill as written provides for a tax of 3 per cent. on revenue freight, which is expected to produce a revenue of \$65,000,000 and a tax of 50 cents a barrel on beer and 20 cents a gallon on domestic wines, which are expected to yield revenues of \$33,000,000 and \$9,000,000 respectively, thus making a total of \$107,000,000 to offset the loss of customs receipts. On Friday Representative Rucker of Missouri introduced a bill providing for an increase of the tax on incomes to 1½ per cent., with an exemption of \$3,000 for married persons and \$2,000 for unmarried persons. It was proposed early last week to incorporate a similar provision in the war tax revenue bill, but President Wilson rejected the plan.

#### No Gold Pool to Be Formed

The Federal Reserve Board last Friday gave out a statement in reference to the proposal of bankers to form a gold pool of \$150,000,000 to meet the country's obligations abroad, in which it said:

"The Federal Reserve Board at its meeting today renewed consideration of the report of the committee in favor of establishing a fund of \$150,000,000 in gold for protection of the foreign exchange situation. In view of the announcement that New York City has completed arrangements for payment of her maturing obligations and for

providing for the necessary gold remittances to Europe the board felt that it may not be necessary to create the proposed fund of \$150,000,000 in gold, and decided to await developments before giving the matter further consideration, holding itself in readiness to consider any additional suggestions which may be submitted by the bankers' committee to meet the altered situation."

#### Railroad Conference

President Wilson last Wednesday received a committee of leading railroad executives, who laid before him a statement concerning the financial situation of the railroads, which was said by them to be very serious owing to the European war. The committee requested the President to call the attention of the country to the pressing need of the support of railroad credit by co-operative and sympathetic effort of the public and of Government officials so that the roads might be relieved as far as possible from immediate burdens involving additional expenses, and that the President urge a practical recognition of the fact that an emergency is upon the railroads which requires, in the public interest, that they have additional revenue and that the appropriate Governmental agencies seek a way by which such additional revenue may be properly and promptly raised.

The President responded on Thursday by giving out for publication a letter addressed to Frank Trumbull, Chairman of the Chesapeake & Ohio Railroad, in which he said that while entertaining no anxiety for the railroads save that caused by the unprecedented situation of the money markets of the world, the interest of the whole public in the welfare of the railroads is manifest. Continuing, he said:

I am confident that there will be active and earnest co-operation in this matter, perhaps the one common interest, of our whole industrial life. Undoubtedly, men both in and out of official position will appreciate what is involved and lend their aid heartily wherever it is possible for them to lend it.

But the emergency is in fact extraordinary, and where there is manifest common interest we ought all of us to speak out in its behalf, and I am glad to join you in calling attention to it. This is a time for all to stand together in united effort to comprehend every interest and serve and sustain it in every legitimate way.

#### Consolidated Exchange to Deal in Pipe Line Certificates

The Board of Governors of the Consolidated Stock Exchange last week voted to reopen the petroleum department to dealings in pipe line certificates of the various companies. Transactions will be cleared through the Clearing House and quotations will be reported in the regular manner.

#### Ship Registration

The United Fruit Company has decided to place a number of its ships, with an aggregate tonnage of 117,000, under the American flag, as permitted by the recently enacted shipping law.

#### Mileage Rates

Practically all of the principal Eastern roads have filed with the Interstate Commerce Commission their new tariffs proposing increases in the price of mileage tickets. The increases approximate 12½ per cent. Some of the roads have given notice that the new tariffs will become effective on Oct. 1.

#### Cotton Exchange Notices

Notices have been issued by the New York Cotton Exchange to the effect that "orders handed to the Cotton Conference Committee will be considered in force until canceled, and need not be renewed unless there is a change in quantities," and that on all rings ring prices of July 31 must be used.

#### Limited Dealing in Bonds

The Stock Exchange on Thursday decided to permit the resumption of trading in bonds on a limited scale. Transactions with bargain hunters or any transaction which might tend to disturb the loan situation will be disconcerted, and it is recommended that the proceeds of sales be applied toward the liquidation of loans. The Exchange adopted the following rule covering such transactions: "Members not dealing through the committee of bond dealers and desiring to buy bonds or short term notes, either listed or unlisted, or desiring to sell the same where conditions require relief, must send a list to Committee on Clearing House of the New York Stock Exchange, giving description of the security, the amount and the price at which they desire to buy or sell."

#### Few Loans Called

Controller of Currency John Skelton Williams said last week that reports received from national banks in New York City indicate that there have been few cases where the banks have failed to

show consideration and forbearance to borrowers, and that very few loans had been called since the closing of the Stock Exchange.

#### New York City Loan

Board of Estimate on Friday approved the arrangements by which the City of New York borrowed \$100,000,000 on 6 per cent. corporate stock notes and revenue warrants from a syndicate headed by J. P. Morgan & Co. and Kuhn, Loeb & Co., and the proceeds of the loan were turned over to Controller Prendergast. This will enable the city to meet in gold its European obligations, amounting to \$80,000,000, shortly maturing. All banks in the city but three participated in the loan. Some opposition from taxpayers' organizations was developed.

#### Trade Commission Bill

The House last Thursday adopted the conference report on the Trade Commission bill, and it now becomes a law as soon as signed by President Wilson. The President announced that he would not appoint the members of the commission until December.

## RAILROADS

#### Weekly Gross Earnings

Following are weekly gross earnings of some important railroads, with changes from corresponding week of last year:

	Amount.	Decrease.
Buffalo, Rochester & Pittsburgh.....	\$316,329	\$53,459
Chesapeake & Ohio.....	1,198,604	*126,273
Chicago Great Western.....	385,496	17,546
Chicago, Indianapolis & Louisville.....	202,669	13,111
Detroit & Mackinac.....	30,553	6,045
Grand Trunk.....	1,581,731	128,244
Louisville & Nashville.....	1,448,950	202,350
Minneapolis & St. Louis.....	276,838	*47,928
Mobile & Ohio.....	325,275	38,750
Missouri, Kansas & Texas.....	843,280	151,900
Missouri Pacific.....	1,308,000	53,000
Seaboard Air Line.....	449,456	41,602
Southern Railway.....	1,769,625	23,727
Texas Pacific.....	497,065	36,115
Toledo, Peoria & Western.....	45,920	10,595
Tulane, St. Louis & Western.....	101,983	9,527
Western Pacific.....	189,200	35,600

#### First week in September.

Canadian Pacific.....	2,110,000	386,000
Canadian Northern.....	320,000	62,400
Chicago, Indianapolis & Louisville.....	145,877	*1,005
Colorado & Southern.....	242,328	48,739
Denver & Rio Grande.....	528,700	*5,000
Minneapolis & St. Louis.....	229,383	*5,040
Missouri Pacific.....	1,106,000	38,000
St. Louis Southwestern.....	210,000	47,000
Texas & Pacific.....	310,901	17,055
Western Pacific.....	135,000	*18,400

#### Increase.

#### Cincinnati, Hamilton & Dayton

Receivers of the road have applied to the United States Circuit Court at Cincinnati for permission to issue \$3,000,000 receivers' certificates, the money to be spent for new equipment.

#### Hampden Railroad

The company last Tuesday filed suit in the Superior Court at Springfield, Mass., against the Boston & Maine Railroad, claiming damages of \$4,000,000 for failure of the latter company to ratify the lease by it of the Hampden Railroad.

#### Missouri Pacific

Directors last week voted to write down the value of the company's investment in stocks of the Wabash Railroad to closing prices of June 30 last, the end of the fiscal year. The loss written off approximates \$2,500,000. Of this, \$1,733,000 will be charged against the Missouri Pacific direct and \$777,000 against the St. Louis, Iron Mountain & Southern.

#### New York Central-Lake Shore

Motion of minority stockholders of the Lake Shore for a temporary injunction to restrain completion of the merger between the Lake Shore & Michigan Southern Railway and the New York Central & Hudson River Railroad, was denied by Judge Grubb in the Federal District Court at New York last Tuesday. At a meeting of the stockholders of the Lake Shore Company, held in Cleveland on Friday, the resolution providing for the merger was adopted with no dissenting votes.

#### Pennsylvania Railroad

The company last week announced that in pursuance of its retrenchment policy, 68 trains on the lines east of Pittsburgh and Erie will be discontinued on Sept. 15. This is in addition to the usual

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reductions in summer resort schedules. The curtailment of service is expected to effect a saving of \$2,000,000 a year.

\* \* \*

#### Southern Railway

Directors announced last Friday that while full dividend on the preferred stock had been earned in the last fiscal year, in view of the business situation in the South it was thought best to defer for a month action on the preferred dividend usually declared at this time.

\* \* \*

#### St. Louis, Iron Mountain & Southern

Directors of the company last Tuesday approved a deal by which the company becomes joint owner with the Texas & Pacific of the docks and terminals bought by the latter road at New Orleans and West Fargo, La., and owners of an option on the Texas & Pacific route from Alexandria, La., to within nine miles of New Orleans. The half interest in the terminals, docks, and elevators cost the company \$7,500,000, for which a bond issue was authorized.

\* \* \*

#### Union Pacific

The company will shortly install wireless telephones on its trains, according to Dr. F. H. Millenier, experimental engineer of the company, who has perfected the apparatus.

\* \* \*

#### Wabash

Argument in the foreclosure suit brought by the Central, Equitable, and Bankers Trust Companies, as trustees of mortgage held by them, was heard by Judge Lacombe in the United States District Court at New York last Wednesday. Counsel for the several complainants stated that suits had been instituted against the company, and subsequently other trust companies had come into the action, and that the Wabash Railroad was fighting off the foreclosure in every way. Judge Lacombe took the papers and reserved decision.

## INDUSTRIALS, MISCELLANEOUS

#### American Locomotive Company

Income account for the year ended June 30, 1914, compares as follows:

	1914.	1913.	1912.	1911.
Gross	\$20,987,438	\$54,868,175	\$30,449,451	\$40,649,385
Less exp. & dep.	27,425,186	48,041,091	28,117,547	36,526,515
Net	2,562,251	8,826,484	2,331,905	4,122,870
Charges, &c.	486,124	641,178	464,350	557,308
Surplus	2,076,127	6,185,305	1,867,554	3,565,562
Pref. divs.	1,750,000	1,750,000	1,750,000	1,750,000
Surplus	*\$26,127	4,435,305	117,554	1,815,562
Add. & bot.	.....	600,000	.....	300,000
Surplus	326,127	3,835,305	117,554	1,515,562

\* Equal to 1.3 per cent. on \$25,000,000 common stock, as compared with 17.7 per cent. earned on same stock previous year. Manufacturing, maintenance, and administrative expenses and depreciation. Depreciation charge for 1914 was \$1,049,316; for 1913, \$1,226,535, and for 1912, \$1,021,382.

#### H. B. Claflin Company

A general meeting of committees representing H. B. Claflin & Co. noteholders and merchandise creditors has been called for tomorrow. At this meeting a plan of settlement will be discussed.

\* \* \*

#### Standard Oil Subsidiaries

Nine Standard Oil concerns have reduced disbursements since April. The following sets forth

the last dividend, date declared, and previous declaration:

	Last Dividend	Date Declared	Payable	Previous
Buckeye Pipe Line	\$3.00	Aug. 12	\$4.00	
Crescent Pipe Line	1.00	Aug. 11	1.25	
Indiana Pipe Line	3.00	July 1	4.00	
New York Transit	6.00	Sep. 1	8.00	
Ohio Oil	1.25	Aug. 20	2.00	
Solar Refining	5.00	May 9	35.00	
Southwest Penn Pipe	3.00	Sep. 1	5.00	
Standard Oil of Nebraska	10.00	May 13	15.00	
Standard Oil of Kentucky	4.00	Sep. 1	5.00	

Three companies have passed their dividends: Prairie Oil and Gas paid \$6 Feb. 28, 1913, and on April 17, 1913, passed its dividend; South Penn Oil paid \$5 June 30, 1914, and passed its dividend on Aug. 20, 1914; Standard Oil of Kansas paid \$3 June 15, 1914, and passed the dividend Aug. 18, 1914.

#### Temple Iron Company

At a meeting in Reading last Wednesday, stockholders approved a reduction in the capital stock from \$2,500,000 to \$250,000. This is the last act of the old company, which was dissolved by the Supreme Court of the United States. A separate company will be formed to run the furnace under whose charter the old trust was operated.

#### H. P. Worthington Company

Vice Chancellor Lewis at Paterson last Tuesday issued an order restraining officers and Directors of the company from exercising their rights and privileges until hearing on appointment of a receiver is held to-day in Jersey City. The order was obtained at the instance of a small stockholder, who alleged that the International Steam Pump Company, which controls the Worthington, has run the latter's business at a loss, although in September, 1913, a statement showed a surplus of \$978,805.32.

## MINES AND METALS

#### Braden Copper Company

Production for August and eight months compares as follows:

	1914.	1913.	1912.
August	4,532,000	1,572,000	674,000
Eight months	8,315,000	11,056,000	5,182,000

There was secured during August a mill recovery of 72.70 per cent., which was one of the best, but not the highest yield secured to date.

#### Butte and Superior

August production is estimated at 11,000,000 pounds of zinc in concentrates, 300,000 ounces of silver, and 100 ounces of gold. Eight to nine tons of lead concentrates are being recovered daily, assaying about 45 per cent. lead. The company is employing 1,100 men, the largest number in its history.

\* \* \*

#### Dividend Announcements

Chino has declared a quarterly dividend of 50 cents a share, comparing with 75 cents a share paid last quarter. Ray Consolidated and Nevada Consolidated have deferred the usual quarterly dividend. These changes are owing to great curtailment of production caused by the European war.

#### East Butte

July production compares as follows:

	Copper, Pounds	Silver, Ozs.	Gold, Ozs.
May	1,179,762	25,553	275
June	1,215,323	25,190	287
July	1,148,420	26,058	298

\* \* \*

#### Goldfield Consolidated

Estimated results for August, 1914, show 27,210 tons of ore mined, with net earnings of \$129,500. This compares with previous months as follows:

	August.	July.	June.	May.
Tons ore mined	27,210	24,573	25,924	30,181
Net earnings	\$129,500	\$159,600	\$140,000	\$165,048

\* \* \*

#### Greene-Cananea Copper Company

The plant at Cananea has closed down with the exception of the mercantile department which operates the company store. The smelter and concentrator have ceased operations and even development work has been suspended.

\* \* \*

#### Miami Copper Company

Production for August and eight months compares as follows, (pounds):

	1914.	1913.	1912.
August	1,070,000	3,097,000	2,931,900
Eight months	24,740,000	21,712,300	21,314,000

The company has adopted the policy of issuing semi-annual reports. The first one—that for the six months ended June 30 last—shows:

	Gross income	Cost of plant operations	Smelting, refining, selling	Ad., leg. exp. Interest	1914.	1913.	1912.
					\$2,716,681.25		
						\$1,230,687.83	
						470,963.54	
						45,051.81	1,752,713.28

Balance being estimated profit for the six months ended June 30, 1914.

The average cost of copper for the period, after deducting miscellaneous income, was 8.974 cents per pound.

\* \* \*

#### Old Dominion

Output for August and eight months compares as follows, in pounds:

	1914.	1913.	1912.
August	2,236,000	2,524,000	2,620,000
Eight months	23,077,000	21,314,000	17,805,000

#### Ontario Mineral Output

Metallic production of the Province for the six months ended June 30, 1914, compares with the same period a year ago as follows:

Product.	Quantity.	Value.	Period.
Gold, ounces	96,260	\$2,011,060	1913.
Silver, ounces	13,379,044	7,053,418	7,603,713
Copper, tons	8,837	1,197,050	832,045
Nickel, tons	13,105	2,872,843	2,514,414
Iron ore, tons	47,100	118,119	141,324
Pig iron, tons	343,408	4,429,064	5,051,840
Cobalt, tons	129	22,561	7,374
Cobalt and nickel oxides, pounds	707,268	379,152	180,347

\* \* \*

#### Rand

August output of Rand Gold Mines totaled 711,000 fine ounces, comparing as follows:

	1914.	1913.	1912.
March	680,000	780,000	850,000
April	684,000	784,000	737,000
May	720,000	794,000	779,000
June	717,000	747,000	753,000
July	732,000	655,000	700,000
August	711,000	728,000	764,000

\* \* \*

#### Raymond Gold Mines

August output of Raymond Gold Mines totaled 1,000 fine ounces, comparing as follows:

	1914.	1913.	1912.
March	1,000,000	1,000,000	1,000,000
April	1,000,000	1,000,000	1,000,000
May	1,000,000	1,000,000	1,000,000
June	1,000,000	1,000,000	1,000,000
July	1,000,000	1,000,000	1,000,000
August	1,000,000	1,000,000	1,000,000

\* \* \*

#### Wechsler & Mills

Public Accountants and Auditors, Efficiency

## Crops

### Bumper Yields of the Principal Crops

**Though Percentage Conditions Declined in August, the Report of Sept. 1 Indicates Crops Much Above the Average**

AUGUST was a bad month for the growing crops. The Government's report of condition on Sept. 1, issued last Tuesday, shows that corn, Spring wheat, oats, barley, and flax all deteriorated during the month, the percentage condition declining several points in most cases. Nevertheless, the yields are much above the average, and, on the whole, it has been an exceptionally productive season. The condition of corn dropped from 74.8 on Aug. 1, to 71.7 on Sept. 1, but it is still sufficiently high to indicate a yield of 2,598,000,000 bushels, which is well above the average for the past five years, as will be seen from the following table of area planted, yield per acre, and total crop:

	Yield Per Area.	Acre.	Crop.
Sept. 1, 1914....	105,067,000	24.9	2,598,000,000
Aug. 1, 1914....	105,067,000	25.1	2,634,000,000
Sept. 1, 1913....	106,834,000	22.0	2,351,000,000
Final, 1913....	105,829,000	23.1	2,446,988,000
Final, 1912....	107,083,000	23.2	3,124,748,000
Final, 1911....	105,825,000	23.0	2,531,488,000
Final, 1910....	104,035,000	27.7	2,886,240,000
Final, 1909....	98,383,000	25.9	2,552,189,000

Spring wheat showed the greatest percentage decline, slumping from 75.5 on Aug. 1, to 68.0 on Sept. 1, a loss in the indicated yield of 15,000,000 bushels. But this was not sufficient to affect the record, and the total wheat yield is far above that of any preceding year. The following table shows the total wheat crop each year since 1908:

	Winter.	Spring.	Total.
Sept. 1, 1914....	675,000,000	221,000,000	896,000,000
Aug. 1, 1914....	675,000,000	236,000,000	911,000,000
Sept. 1, 1913....	511,000,000	243,000,000	754,000,000
Final, 1913....	523,561,000	239,819,000	763,380,000
Final, 1912....	399,919,000	330,348,000	730,267,000
Final, 1911....	430,656,000	190,682,000	621,328,000
Final, 1910....	434,142,000	200,976,000	635,121,000
Final, 1909....	446,366,000	290,825,000	737,189,000
Final, 1908....	437,903,000	226,94,000	664,944,000

The condition of oats declined from 79.4 per cent. on Aug. 1 to 75.8 per cent. on Sept. 1, thus reducing the indicated production by 37,000,000 bushels. The total crop will

compare very favorably with the average for recent years, though it has been exceeded several times. Present indications point to a total yield of 1,116,000,000 bushels, which compares with 1,121,768,000 bushels in 1913, and 1,418,337,000 bushels in 1912. Comparative figures are given below:

	Yield Per Area.	Acre.	Crop.
Sept. 1, 1914....	38,383,000	29.1	1,116,000,000
Aug. 1, 1914....	38,333,000	30.0	1,153,000,000
Sept. 1, 1913....	38,341,000	27.8	1,066,000,000
Final, 1913....	38,399,000	29.2	1,121,768,000
Final, 1912....	37,917,000	37.7	1,418,337,000
Final, 1911....	37,763,000	24.4	922,298,000
Final, 1910....	37,548,000	31.6	1,186,341,000
Final, 1909....	35,159,000	23.6	1,007,000,000
Final, 1908....	32,344,000	25.0	807,156,000
Final, 1907....	31,837,000	23.7	754,443,000

The rye crop, now harvested, is an exceptionally large one, though it, too, declined in the past month:

Rye, (harvested):

	Yield Per Area.	Acre.	Crop.
Aug. 1, 1914....	2,533,000	16.8	43,000,000
July 1, 1914....	2,702,000	17.2	*16,454,000
Aug. 1, 1913....	.....	16.3	35,000,000
Final, 1913....	2,557,000	16.2	41,381,000
Final, 1912....	2,117,000	16.9	35,664,000
Final, 1911....	2,097,000	11.9	33,119,000
Final, 1910....	2,185,000	16.0	34,897,000

\*Unofficial.

The yield of barley is placed at 200,000,000 bushels, and though well above the average of recent years, it is still more than 23,000 bushels below that of 1912:

	Yield Per Area.	Acre.	Crop.
Sept. 1, 1914....	7,528,000	26.3	200,000,000
Aug. 1, 1914....	7,528,000	26.9	203,000,000
Sept. 1, 1913....	7,255,000	23.2	168,000,000
Final, 1913....	7,499,000	23.8	178,189,000
Final, 1912....	7,530,000	29.7	223,824,000
Final, 1911....	7,627,000	21.0	160,240,000
Final, 1910....	7,743,000	22.5	173,832,000

The indicated potato crop of 371,000,000 bushels is also an exceptionally bountiful one. The area planted shows a substantial increase in comparison with the last four

years, and the yield per acre is also above normal, though considerably smaller than that of 1912:

	Yield Per Area.	Acre.	Crop.
Sept. 1, 1914....	3,708,000	98.0	371,000,000
Aug. 1, 1914....	3,708,000	.....	.....
Sept. 1, 1913....	3,685,000	88.1	325,000,000
Final, 1913....	3,668,000	90.1	332,000,000
Final, 1912....	3,711,000	113.2	420,647,000
Final, 1911....	3,619,000	80.9	292,737,000
Final, 1910....	3,720,000	93.8	349,032,000

Owing to the European war, the current prices of all these crops are now substantially higher than they were at this time last year, so that farmers have the unusual combination of large production and high prices, thus putting the combined value of the year's farm production far above that of any preceding year, should prevailing prices be maintained.

### The Chicago Grain Markets

Quotations on the Chicago market last week were as follows:

#### CHICAGO

##### WHEAT

	Sept.— High.	Sept.— Low.	Dec.— High.	Dec.— Low.	May— High.	May— Low.
Sept. 7—Holiday.						
Sept. 8.....	1.16½	1.14	1.21½	1.16	1.20	1.24
Sept. 9—Holiday.						
Sept. 10.....	1.15½	1.11½	1.17½	1.14½	1.20	1.22
Sept. 11.....	1.12½	1.10	1.16	1.12½	1.20½	1.20½
Sept. 12.....	1.14½	1.08½	1.14½	1.12½	1.22½	1.19½
Week's range....	1.18½	1.08½	1.21½	1.12½	1.20	1.19½

##### CORN

	May— High.	May— Low.	Sept.— High.	Sept.— Low.	Dec.— High.	Dec.— Low.
Sept. 7—Holiday.						
Sept. 8.....	.81	.78½	.76½	.74½	.72½	.73½
Sept. 9—Holiday.						
Sept. 10.....	.77½	.76	.73½	.71½	.70½	.71½
Sept. 11.....	.78	.76½	.73½	.72½	.70½	.71½
Sept. 12.....	.81	.76	.76½	.71½	.78½	.73½
Week's range....	.81	.76	.78½	.71½	.78½	.73½

##### OATS

	May— High.	May— Low.	Sept.— High.	Sept.— Low.	Dec.— High.	Dec.— Low.
Sept. 7—Holiday.						
Sept. 8.....	.51	.49½	.54½	.52½	.57½	.55½
Sept. 9—Holiday.						
Sept. 10.....	.49½	.47½	.53½	.50½	.50½	.53½
Sept. 11.....	.47½	.46	.51½	.49½	.54½	.52½
Sept. 12.....	.48½	.47½	.51½	.50½	.54½	.53½
Week's range....	.51	.46	.54½	.49½	.57½	.52½

Weekly High and Low Cash Price of Wheat, No. 2 Red, at Chicago

Weekly High and Low Cash Price of Corn, No. 3 White, at Chicago

